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Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10890

INCLUDING CERTAIN LANDS IN THE DIXIE NATIONAL FOREST AND TRANSFERRING CERTAIN LANDS FROM THE DEPARTMENT OF AGRICULTURE TO THE DEPARTMENT OF THE INTERIOR

Utah

By virtue of the authority vested in me by section 24 of the act of March 3, 1891 (26 Stat. 1103; 16 U.S.C. 471), the act of June 4, 1897 (30 Stat. 34, 36; 16 U.S.C. 473), and section 32(c) of Title III of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (50 Stat. 526; 7 U.S.C. 1011(c)), and as President of the United States, and upon the recommendation of the Secretary of Agriculture, it is ordered as follows:

1. The exterior boundaries of the Dixie National Forest in the State of Utah are hereby extended to include the following-described lands:

SALT LAKE MERIDIAN

T. 33 S., R. 2 W.,
secs. 17 to 20, inclusive;
secs. 29 to 32, inclusive.

T. 34 S., R. 2 W.,
secs. 5 and 6;
sec. 7, N $\frac{1}{2}$;
sec. 8, N $\frac{1}{2}$.

T. 33 S., R. 3 W.,
sec. 13;
secs. 23 to 26, inclusive;
secs. 35, and 36.

T. 34 S., R. 3 W.,
secs. 1 and 2;
sec. 11, N $\frac{1}{2}$;
sec. 12, N $\frac{1}{2}$;

containing 13,386 acres, more or less.

2. Subject to valid existing rights, all lands owned by the United States within the above-described area are hereby reserved as parts of the Dixie National Forest; and all lands within such area that may hereafter be acquired by the United States for national-forest purposes shall upon acquisition of title thereto be reserved as parts of that forest.

3. Subject to valid existing rights, the following-described lands acquired by or transferred to the Secretary of Agriculture for use, administration, and disposition in accordance with the provisions of Title III of the Bankhead-Jones Farm

Tenant Act, together with title and use records, water or water rights, improvements, appurtenances, and structures on such lands, are hereby transferred from the Department of Agriculture to the Department of the Interior for use, administration, or exchange under the applicable provisions of the Taylor Grazing Act (48 Stat. 1269; 43 U.S.C. 315 et seq.), as amended, or for use or administration under the general land-management authority of the Secretary of the Interior as the Secretary shall determine, including the authority to grant licenses and easements upon such terms as he may deem reasonable: *Provided*, that twenty-five per cent of the net revenues received by the Secretary of the Interior from grazing and other uses of the transferred lands shall continue to be paid to the counties in which such lands are located for the purposes specified in section 33 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012) in lieu of payments therefrom to the State or counties at the rates specified in section 10 of the Taylor Grazing Act (43 U.S.C. 315 i) or in any other act under which the transferred lands are used and administered under this order:

SALT LAKE MERIDIAN

T. 33 S., R. 2 W.,

sec. 2, E $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 7, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 8, S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;

sec. 11, SE $\frac{1}{4}$ SE $\frac{1}{4}$;

sec. 12, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$;

sec. 14, NE $\frac{1}{4}$ NE $\frac{1}{4}$;

sec. 21, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$,

S $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 23, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 27, E $\frac{1}{2}$ SW $\frac{1}{4}$;

sec. 28, E $\frac{1}{2}$, also beginning at the NW corner of the NE $\frac{1}{4}$ NW $\frac{1}{4}$, thence south 160 rods, thence east 12 rods, thence north 160 rods, thence west 12 rods to point of beginning, W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;

sec. 33, N $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 34, W $\frac{1}{2}$ E $\frac{1}{2}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$.

T. 34 S., R. 2 W.,

sec. 2, Lots 1 and 2, SE $\frac{1}{4}$ SE $\frac{1}{4}$;

sec. 3, Lots 1 and 2, S $\frac{1}{2}$ S $\frac{1}{2}$;

sec. 7, E $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 8, N $\frac{1}{2}$ S $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 10, S $\frac{1}{2}$ S $\frac{1}{2}$;

sec. 11, SW $\frac{1}{4}$;

sec. 14, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$;

sec. 15, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;

sec. 16, S $\frac{1}{2}$;

sec. 17, NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$;

sec. 18, SE $\frac{1}{4}$;

sec. 19, Lots 3 and 4, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

sec. 20, SE $\frac{1}{4}$;

sec. 21, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 22, NW $\frac{1}{4}$ NE $\frac{1}{4}$, also beginning at the NW corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$, of sec. 22, thence south 36 rods, thence east 80 rods, thence north 36 rods, thence west 80 rods to the place of beginning; also beginning at the NE corner SE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 22, thence west 67 rods, thence south 18 rods, thence east 67 rods, thence north 18 rods to the place of beginning; W $\frac{1}{2}$ NW $\frac{1}{4}$, also beginning at the SE corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 22, thence north 54 rods, thence west 36 rods, thence south 13 rods, thence west 18 rods, thence south 18 rods, thence west 26 rods, thence south 23 rods, thence east 80 rods to the place of beginning;

sec. 27, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;

sec. 28, NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

sec. 29, E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, also beginning at the NE corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$, thence 78.5 rods west, thence 160 rods south, thence 78.5 rods east, thence 160 rods north to the point of beginning; SW $\frac{1}{4}$;

sec. 30, Lots 1 to 4 inclusive, also beginning at the NW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 30, thence south 160 rods, thence east 78.5 rods, thence north 160 rods, thence west 78.5 rods to the point of beginning; W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

sec. 31;

sec. 32;

sec. 33, N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$.

T. 35 S., R. 2 W.,

sec. 4, SW $\frac{1}{4}$;

sec. 5, lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$;

sec. 7, E $\frac{1}{2}$;

sec. 8, E $\frac{1}{2}$, SW $\frac{1}{4}$.

T. 34 S., R. 3 W.,

sec. 14, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 23, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;

sec. 24, W $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;

sec. 25;

sec. 26, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;

sec. 36, E $\frac{1}{2}$.

T. 35 S., R. 3 W.,

sec. 1, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$;

sec. 2, W $\frac{1}{2}$ SW $\frac{1}{4}$;

sec. 13, W $\frac{1}{2}$ SE $\frac{1}{4}$;

sec. 20, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

sec. 29, N $\frac{1}{2}$;

sec. 32;

sec. 33, SW $\frac{1}{4}$ SW $\frac{1}{4}$.

T. 36 S., R. 3 W.,

sec. 5, lots 1 and 2;

containing 14,825 acres more or less.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

October 27, 1960.

[F.R. Doc. 60-10219; Filed, Oct. 27, 1960; 12:05 p.m.]

Rules and Regulations

Title 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

SUBCHAPTER B—FARM OWNERSHIP LOANS

[FHA Instruction 428.1]

PART 331—POLICIES AND AUTHORITIES

Average Values of Farms; Louisiana

On October 12, 1960, for the purposes of Title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units for the counties (parishes) identified below were determined to be as herein set forth. The average values heretofore established for said counties (parishes), which appear in the tabulations of average values under 6 CFR 331.17, are superseded by the average values set forth below for said counties (parishes).

LOUISIANA

County	Average value	County	Average value
Acadia	50,000	Natchitoches	50,000
Allen	50,000	Orleans	50,000
Ascension	50,000	Ouachita	50,000
Assumption	50,000	Plaquemines	50,000
Avoyelles	50,000	Pointe Coupee	50,000
Beauregard	50,000	Rapides	50,000
Bienville	40,000	Red River	50,000
Bossier	50,000	Richland	50,000
Caddo	50,000	Sabine	40,000
Calcasieu	50,000	St. Bernard	50,000
Caldwell	50,000	St. Charles	50,000
Cameron	50,000	St. Helena	40,000
Catahoula	50,000	St. James	50,000
Claborn	40,000	St. John the Baptist	50,000
Concordia	50,000	St. Landry	50,000
De Soto	40,000	St. Martin	50,000
East Baton Rouge	40,000	St. Mary	50,000
East Carroll	50,000	St. Tammany	40,000
East Feliciana	40,000	many	40,000
Evangeline	50,000	Tangipahoa	40,000
Franklin	50,000	Tensas	50,000
Grant	50,000	Terrebonne	50,000
Iberia	50,000	Union	40,000
Iberville	50,000	Vermillion	50,000
Jackson	40,000	Vernon	40,000
Jefferson	50,000	Washington	40,000
Jefferson Davis	50,000	Webster	40,000
Lafayette	50,000	West Baton Rouge	50,000
Lafourche	50,000	West Carroll	50,000
La Salle	40,000	West Feliciana	40,000
Lincoln	40,000	Winn	40,000
Livingston	40,000		
Madison	50,000		
Morehouse	50,000		

(Sec. 41, 50 Stat. 528, as amended; 7 U.S.C. 1015; Order of Acting Sec. of Agr., 19 F.R. 74, 22 F.R. 8188)

Dated: October 20, 1960.

K. H. HANSEN,
Administrator,
Farmers Home Administration.

[F.R. Doc. 60-10125; Filed, Oct. 27, 1960; 8:47 a.m.]

Title 7—AGRICULTURE

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

PART 722—COTTON

Subpart—Regulations Pertaining to Acreage Allotments for the 1961 Crop of Upland Cotton

Correction

In F.R. Doc. 60-9851, appearing at page 9987 of the issue for Thursday, October 20, the words immediately preceding the proviso clause in § 722.417(b) should read "paragraph (e) (3) of this section:" instead of "paragraph (c) (3) of this section:".

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Milk Orders 4, 96, 99, 119]

PART 904—MILK IN GREATER BOSTON, MASS., MARKETING AREA

PART 996—MILK IN SPRINGFIELD, MASS., MARKETING AREA

PART 999—MILK IN WORCESTER, MASS., MARKETING AREA

PART 1019—MILK IN CONNECTICUT MARKETING AREA

Correction

The following corrections are made in F.R. Doc. 60-8085, filed August 30, 1960, and published on August 31, 1960:

1. In the last line of the introductory paragraph of § 904.21(a), appearing in column 3, page 8287, insert a comma before the word "unless".

2. In the table of § 904.41, appearing in column 3, page 8289, the figure "2" appearing opposite the word "February" should be corrected to read "12".

The following correction is made in F.R. Doc. 60-8087 filed August 30, 1960, and published August 31, 1960: In the first line of § 996.25(h), appearing in column 1, page 8304, the semicolon should be changed to an apostrophe.

The following correction is made in F.R. Doc. 60-8088 filed August 30, 1960, and published August 31, 1960: In the proviso of § 999.2(j) (2), appearing in column 2, page 8310, insert a comma after the word "subparagraph", and also after the word "person" in the third line from the bottom of such column.

The following correction is made in F.R. Doc. 60-8083 filed August 30, 1960, and published August 31, 1960: In paragraph numbered 17, appearing in column 3, page 8319, the reference "§ 1010.24(b) (5)" should be corrected to read "1019.24(b) (5)".

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Issued at Washington, D.C., this 25th day of October 1960, to be effective on and after the 1st day of September 1960.

CLARENCE L. MILLER,
Assistant Secretary.

[F.R. Doc. 60-10137; Filed, Oct. 27, 1960; 8:48 a.m.]

[Milk Order 5]

PART 905—MILK IN MISSISSIPPI DELTA MARKETING AREA

Order Amending Order

§ 905.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Mississippi Delta marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) Additional findings. It is necessary in the public interest to make this order amending the order effective not later than November 1, 1960. Any delay beyond that date would tend to dis-

rupt the orderly marketing of milk in the marketing area.

The provisions of the said order are known to handlers. The recommended decision of the Deputy Administrator of the Agricultural Marketing Service was issued August 2, 1960, and the decision of the Assistant Secretary containing all amendment provisions of this order, was issued September 27, 1960. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order effective November 1, 1960, and that it would be contrary to the public interest to delay the effective date of this order for 30 days after its publication in the FEDERAL REGISTER. (Sec. 4(c), Administrative Procedure Act, 5 U.S.C. 1001-1011)

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as herein amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Mississippi Delta marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

1. Delete § 905.6 and substitute the following:

§ 905.6 Mississippi Delta marketing area.

Mississippi Delta marketing area, hereinafter called the marketing area, means all the territory, including incorporated municipalities and military reservations within Attala, Bolivar, Carroll, Choctaw, Grenada, Holmes, Humphreys, Leake, Leflore, Lowndes, Montgomery, Neshoba, Oktibbeha, Sharkey, Sunflower, Tallahatchie, Washington, Webster (except Beat 5), Winston, and Yazoo Counties; Beats 1 and 4 in Calhoun County; Beats 4 and 5 in Coahoma County; Beats 2, 3, 4, and 5 in Quitman County including all of the village of Crowder; and Beats 1, 4, and 5 in Yalobusha County all within the State of Mississippi.

§ 905.12 [Amendment]

2. Amend § 905.12(c) by changing the reference to § 905.14 to § 905.15.

3. Delete § 905.14 and substitute the following:

§ 905.14 Producer.

"Producer" means any person, other than a producer-handler, who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority, which milk is received during the month at a pool plant or is diverted pursuant to § 905.15.

4. Delete § 905.15 and substitute the following:

§ 905.15 Producer milk.

"Producer milk" means all skim milk and butterfat received at a pool plant directly from producers or which is diverted by the operator of a pool plant or by a cooperative association as provided pursuant to § 905.12(c) for the account of such handler, subject to the following conditions:

(a) The operator of a pool plant may divert the milk production of a producer to the pool plant of another handler for any number of days of the months;

(b) During March through July the operator of a pool plant or a cooperative association may divert the milk production of a producer from a pool plant to a nonpool plant for any number of days of the month;

(c) During the months of August through February the operator of a pool plant or a cooperative association may divert the days' production of milk of a producer from a pool plant to a nonpool plant on not more than one-third of the number of days' production of such producer physically received at a pool plant during the month; and

(d) Milk diverted for the account of the operator of a pool plant shall be deemed to have been received at the plant from which diverted, and milk diverted for the account of a cooperative association shall be deemed to have been received by the cooperative association at the location of the pool plant from which it was diverted.

(e) In case milk diverted is in excess of the amount specified in paragraph (c) of this section, only that milk physically received at a pool plant will be producer milk.

§ 905.22 [Amendment]

5. Amend § 905.22(d)(1) to read as follows:

(1) On or before the 6th day of each month, the minimum price for Class I milk pursuant to § 905.50(a), and the Class I butterfat differential computed pursuant to § 905.51(a), both for the current month, and the minimum price for Class II milk computed pursuant to § 905.50(b) and the Class II butterfat differential computed pursuant to § 905.51(b) both for the previous month.

6. Amend the first paragraph of § 905.30 to read as follows:

§ 905.30 Reports of receipts and utilization.

On or before the 6th day of each month each handler who operates a pool plant(s), each handler, other than a producer-handler, who operates a nonpool distributing plant, and any cooperative association with respect to milk for which it is a handler shall report for the preceding month to the market ad-

ministrator in the detail and on forms prescribed by the market administrator as follows:

§ 905.31 [Amendment]

7. Amend § 905.31(c) to read as follows:

(c) On or before the 20th day after the end of the month each handler operating a nonpool distributing plant and making payments pursuant to § 905.62(b) shall report his payments to dairy farmers qualified to be producers if such plant were a pool plant, showing for each such dairy farmer:

§ 905.41 [Amendment]

8. Amend § 905.41(b) to read as follows:

(b) Class II shall be:

(1) All skim milk and butterfat used to produce any product other than a fluid milk product;

(2) All skim milk authorized by the market administrator to be dumped;

(3) The shrinkage allocated to receipts of producer milk but not in excess of 2 percent of receipts of skim milk and butterfat directly from producers, plus 1.5 percent of receipts of skim milk and butterfat, respectively, transferred in the form of bulk fluid milk products from pool plants of other handlers, less 1.5 percent of receipts of skim milk and butterfat, respectively, transferred in the form of bulk fluid milk products to pool plants of other handlers;

(4) The shrinkage of other source milk;

(5) All the skim milk and butterfat accounted for as disposed of for livestock feed; and

(6) The inventories of fluid milk products on hand at the end of the month.

9. Delete § 905.42 and substitute the following:

§ 905.42 Assignment of shrinkage.

The market administrator shall assign shrinkage at the pool plant(s) of each handler as follows:

(a) Compute the total shrinkage of skim milk and butterfat; and

(b) Assign the resulting amount, proportioned to the handler's receipts of skim milk and butterfat, respectively, in (1) milk received directly from producers and from other pool plants and (2) other source milk.

10. Delete § 905.44 and substitute the following:

§ 905.44 Transfers.

Skim milk and butterfat transferred or diverted during the month as a fluid milk product from a pool plant to:

(a) The pool plant of another handler shall be classified as Class I, unless:

(1) Class II utilization is indicated by the operators of both plants in their reports submitted pursuant to § 905.30;

(2) The receiving plant has utilization in Class II of equivalent amounts of skim milk and butterfat, respectively, and

(3) Such skim milk and butterfat shall be classified so as to allocate to producer milk the greatest possible Class I utilization in the two plants;

(b) A plant operated by a producer-handler shall be Class I milk;

(c) A nonpool plant that is a pool plant (a fully regulated plant) under another order issued pursuant to the Act shall be classified, if transferred in bulk, pursuant to the classification and allocation procedure of the other Federal order: *Provided*, That in the event such nonpool plant receives skim milk and butterfat from two or more plants regulated by an order(s) other than that under which it is regulated, the amount classified in each class shall be a pro rata share of such receipts allocated to that class.

(d) A nonpool plant, except as specified in paragraphs (b) and (c) of this section, shall be Class I milk unless:

(1) The transferring handler claims Class II use on his report for the month;

(2) The operator of the nonpool plant maintains books and records which are made available for examination upon request by the market administrator and which are adequate for verification of such Class II use; and

(3) The skim milk and butterfat, respectively, received in the form of fluid milk products at the nonpool plant during the month from a pool plant(s) (except the amounts pursuant to subparagraph (4) of this paragraph and the similar provision of such other order) and from a plant(s) at which milk is priced pursuant to another order issued pursuant to the Act does not exceed the skim milk and butterfat, respectively, resulting from the following computation:

(i) Determine the skim milk and butterfat, respectively, in Class II (as defined pursuant to § 905.41(b)(1)) at such nonpool plant during the month;

(ii) Subtract the overage or add the actual shrinkage of skim milk and butterfat, respectively, in the total fluid receipts physically received at such nonpool plant but not to exceed 2 percent of such total receipts during the month;

(iii) Add the increases or subtract the decreases of skim milk and butterfat, respectively, in the inventory of fluid milk products at the end of the month at such nonpool plant as compared with that at the beginning of the month;

(iv) Add the skim milk and butterfat, respectively, in milk, skim milk, or cream transferred in bulk from such nonpool plant to a plant at which milk is priced under this or another order issued pursuant to the Act which is allocated to other than Class I under the applicable order provisions at the transferee plant, but excluding any such transfers that may be classified under this or such other order pursuant to provisions similar to subparagraph (4) of this paragraph: *Provided*, That if skim milk and butterfat are received from unregulated sources at such transferee plant, such skim milk and butterfat, respectively, shall be assigned to Class II at such plant to the maximum extent possible for the purpose of this subparagraph;

(v) Add the skim milk and butterfat, respectively, in fluid bulk cream transferred from such nonpool plant to a second nonpool plant which is not in excess of Class II (pursuant to § 905.41(b)(1)) processed in such second nonpool plant plus the bulk fluid cream

shipped therefrom to other nonpool plants which do not dispose of milk or cream in consumer packages for consumption in fluid form: *Provided*, That the second nonpool plant meets the conditions of subparagraph (2) of this paragraph; and

(vi) Subtract the skim milk and butterfat, respectively, received at such nonpool plant from any source(s) other than that which has been approved by a governmental agency as a source(s) of Grade A fluid milk products. In the event that the remaining skim milk and butterfat, respectively, is less than the skim milk and butterfat, respectively, received at such nonpool plant from a pool plant(s) and from a plant(s) at which milk is priced under another order issued pursuant to the Act, the difference shall be assigned pro rata to each pool plant (in accordance with receipts of skim milk and butterfat, respectively, from all plants regulated pursuant to the Act) and shall be classified as Class I milk.

(4) If such nonpool plant transfers skim milk or butterfat as milk, skim, or cream in bulk to a pool plant, the amount so transferred which is not in excess of receipts during the month at such nonpool plant from pool plants shall be excluded from receipts within the meaning of subparagraph (3) of this paragraph, and shall be classified pursuant to paragraph (a) of this section as if moved directly to the second pool plant with Class II utilization indicated: *Provided*, That if the classification limitations provided in paragraph (a) of this section result in any skim milk or butterfat being classified as Class I from pool plants of two or more handlers, such classification shall be shared pro rata between such handlers unless, at or before the time of reporting, signed statements by operators of such plants indicate agreement on a different sharing of such Class I classification.

11. Delete § 905.46 and substitute the following:

§ 905.46 Allocation of skim milk classified.

The pounds of skim milk remaining after making the following computations shall be the pounds in each class allocated to producer milk:

(a) Subtract from the total pounds of skim milk in Class II the pounds of skim milk shrinkage pursuant to § 905.41(b)(3);

(b) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk received as other source milk other than in the form of fluid milk products;

(c) Subtract from the total pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in other source milk received in the form of fluid milk products, except as specified in paragraph (d) of this section;

(d) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk received from plants subject to the Class I pricing and payment pro-

visions of another order issued pursuant to the Act;

(e) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in inventory of fluid milk products on hand at the beginning of the month;

(f) Subtract from the pounds of skim milk remaining in each class, the pounds of skim milk received from pool plants of other handlers in such class pursuant to §§ 905.41 and 905.44(a);

(g) Add to the remaining pounds of skim milk in Class II the pounds subtracted pursuant to paragraph (a) of this section; and

(h) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk in milk received from producers, subtract such excess from the remaining pounds of skim milk in each class in series beginning with Class II. Any amount so subtracted shall be known as overage.

12. Delete § 905.53 and substitute the following:

§ 905.53 Rates of payment on other source milk.

The following rates of payment on other source milk to be applied pursuant to § 905.70 (c) (e) and (f) shall be effective only in the months when the total receipts of producer milk are 110 percent or more of the total amount from all sources classified as Class I (excluding duplications) at all pool plants:

(a) On other source milk received other than in the form of fluid milk products, subtract the Class II price adjusted by the Class II butterfat differential from the Class I price adjusted by the Class I butterfat differential; and

(b) On other source milk received in the form of fluid milk products, subtract the Class II price adjusted by the Class II butterfat differential from the Class I price adjusted by the Class I butterfat differential, and adjust such difference by the location differential applicable at a pool plant of the same location as the nearest nonpool plant(s) supplying such other source milk.

§ 905.62 [Amendment]

13. Amend § 905.62 (a) (2) and (b) (2) to read as follows:

(a) * * *

(2) As his pro rata share of the expense of administration, the rate specified in § 905.93 with respect to Class I disposed of on routes in the marketing area;

(b) * * *

(2) As his pro rata share of the expense of administration, an amount equal to that which would have been computed pursuant to § 905.93 had such plant been a pool plant.

14. Delete § 905.70 and substitute the following:

§ 905.70 Computation of value of producer milk.

The value of producer milk received during the month by each handler at his pool plant(s) shall be computed by the market administrator as follows:

(a) Multiply the producer milk in each class, as computed pursuant to § 905.43, by the applicable class prices and add together the resulting amounts;

(b) Add an amount computed by multiplying the pounds of overage deducted from each class pursuant to § 905.46(h) and the corresponding step of § 905.47 by the applicable class price.

(c) Add an amount computed by multiplying the skim milk and butterfat subtracted from Class I pursuant to § 905.46(b) and the corresponding step of § 905.47 by the rate as determined pursuant to § 905.53(a);

(d) Add the amount obtained by multiplying by the difference between the Class II price for the preceding month and the Class I price for the current month the lesser of:

(1) The hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 905.46(e) and the corresponding step of § 905.47; or

(2) The hundredweight of producer milk classified as Class II (except shrinkage) during the preceding month;

(e) Add an amount computed by multiplying the skim milk and butterfat subtracted from Class I pursuant to § 905.46(c) and the corresponding step of § 905.47 by the rate pursuant to § 905.53(b) for the nearest plant(s) from which an equal amount of other source milk was received in the form of fluid milk products; and

(f) Add an amount computed by multiplying the skim milk and butterfat subtracted from Class I pursuant to § 905.46(e) and the corresponding step of § 905.47 by the rate pursuant to § 905.53(a) or (b), as the case may be, which:

(1) Is in excess of the sum of:

(i) The quantity for which payment is computed pursuant to paragraph (d) of this section; and

(ii) The quantity subtracted for the preceding month from Class II pursuant to § 905.46(d) and the corresponding step of § 905.47; and

(2) Is also not in excess of the quantity subtracted from Class II pursuant to § 905.46(b) and (c) in the preceding month.

15. Delete § 905.80 and substitute the following:

§ 905.80 Determination of daily base.

The daily base of each producer shall be calculated by the market administrator as follows: Divide the total pounds of milk received at all pool plants from such producer during the months of September through January by the larger of:

(a) 120 days, or

(b) The number of days beginning with the first day in such months on which milk is received from such producer and ending with January 31 (plus the number of days prior to the day of such first receipts on which such milk was produced, and minus the number of days in January on which milk received from such producer in February was produced).

§ 905.82 [Amendment]

16. Amend § 905.82(b)(1) to read as follows:

(1) If one or more bases are transferred to a producer already holding a base, a new base shall be computed by adding together the producer milk deliveries of the transferee and transferor during the base forming period and dividing the total by the larger of:

(i) 120 days, or

(ii) The number of days beginning with the first day on which milk is received from either the transferee or transferor during the base forming period and ending with January 31 (plus the number of days prior to the day of such first receipt on which such milk was produced, and minus the number of days in January on which milk received from such producer in February was produced).

17. Add a new § 905.83 as follows:

§ 905.83 Announcement of established bases.

On or before March 1 of each year, the market administrator shall notify each producer and the handler receiving milk from such producer of the daily base established by each producer.

18. Delete § 905.92 and substitute the following:

§ 905.92 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers for milk (other than milk of his own production) pursuant to § 905.90, shall deduct 7 cents per hundredweight, or such amount not exceeding 7 cents per hundredweight as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of each month. Such money shall be used by the market administrator to verify weights, samples, and tests of milk received by handlers from such producers during the month and to provide such producers with market information; and

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers on or before the 15th day after the end of each month, and pay such deductions to the cooperative association of which such producers are members, furnishing a statement showing the amount of any such deductions and the amount and average butterfat test of milk received from each such producer.

§ 905.93 [Amendment]

19. Delete § 905.93(b) and substitute the following:

(b) Other source milk allocated to Class I pursuant to § 905.46(b) and (c) and the corresponding steps of § 905.47; and

20. Redesignate § 905.97 as § 905.98 and add a new § 905.97 as follows:

§ 905.97 Overdue accounts.

Any unpaid obligation of a handler or of the market administrator pursuant to §§ 905.62, 905.91(a), 905.92(a), 905.93, 905.95, or 905.96 shall be increased one-half of one percent each month or fraction thereof starting the third day after the date such obligation is due until such obligation is paid. Any remittance received by the market administrator postmarked not later than the date such obligation is due shall be considered to have been received when due.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Issued at Washington, D.C., this 25th day of October 1960, to be effective on and after the first day of November 1960.

CLARENCE L. MILLER,
Assistant Secretary.

[F.R. Doc. 60-10138; Filed, Oct. 27, 1960; 8:48 a.m.]

[Milk Order 87]

PART 987—MILK IN CENTRAL MISSISSIPPI MARKETING AREA

Order Amending Order

§ 987.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Central Mississippi marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(4) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, five cents per hundredweight or such amount not to exceed five cents per hundredweight as the Secretary may prescribe, with respect to all milk pursuant to § 987.95.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order effective not later than November 1, 1960. Any delay beyond that date would tend to disrupt the orderly marketing of milk in the marketing area.

The provisions of the said order are known to handlers. The recommended decision of the Deputy Administrator of the Agricultural Marketing Service was issued August 2, 1960, and the decision of the Assistant Secretary containing all amendment provisions of this order, was issued September 27, 1960. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order effective November 1, 1960, and that it would be contrary to the public interest to delay the effective date of this order for 30 days after its publication in the FEDERAL REGISTER. (Sec. 4(c), Administrative Procedure Act, 5 U.S.C. 1001-1011)

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as herein amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, That on and after the effective date hereof, the handling of milk in the Central Mississippi marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

§ 987.12 [Amendment]

1. Amend § 987.12(a) by changing the reference to § 987.13 to § 987.14.

2. Delete § 987.13 and substitute the following:

§ 987.13 Producer.

"Producer" means any person, other than a producer-handler, who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority, which milk is received during the month at a pool plant or is diverted pursuant to § 987.14.

3. Delete § 987.14 and substitute the following:

§ 987.14 Producer milk.

"Producer milk" means all skim milk and butterfat received at a pool plant directly from producers or which is diverted by a handler for the account of such handler, subject to the following conditions:

(a) The operator of a pool plant may divert the milk production of a producer to the pool plant of another handler for any number of days of the month;

(b) During December through August such a handler or a cooperative association may divert the milk production of a producer to a nonpool plant (except a nonpool plant which is fully subject to the pricing and pooling provisions of another order issued pursuant to the Act) for any number of days of the month;

(c) During the months of September through November milk production of a producer may be diverted by a handler, from a pool plant to a nonpool plant (except a nonpool plant which is fully subject to the pricing and pooling provisions of another order issued pursuant to the Act) as producer milk for a maximum of 10 days' production. Milk diverted in excess of 10 days' production of such a producer shall not be producer milk; and

(d) Milk diverted for the account of the operator of a pool plant shall be deemed to have been received at the plant from which diverted, and milk diverted for the account of a cooperative association shall be deemed to have been received by the cooperative association at the location of the pool plant from which it was diverted.

4. Delete § 987.44 and substitute the following:

§ 987.44 Transfers.

Skim milk and butterfat transferred or diverted during the month as a fluid milk product from a pool plant to:

(a) The pool plant of another handler shall be classified as Class I, unless;

(1) Class II utilization is indicated by the operators of both plants in their reports submitted pursuant to § 987.30;

(2) The receiving plant has utilization in Class II of equivalent amounts of skim milk and butterfat, respectively; and

(3) Such skim milk and butterfat shall be classified so as to allocate to producer milk the greatest possible Class I utilization in the two plants.

(b) A nonpool plant that is a pool plant (a fully regulated plant) under another order issued pursuant to the Act shall be classified, if transferred in bulk pursuant to the classification and allocation procedure of the other Fed-

eral order: *Provided*, That in the event such nonpool plant receives skim milk and butterfat from two or more plants regulated by an order(s) other than that under which it is regulated, the amount classified in each class shall be a pro rata share of such receipts allocated to that class.

(c) A nonpool plant, except as specified in paragraph (b) of this section, shall be Class I milk unless:

(1) The transferring handler claims Class II use on his report for the month;

(2) The operator of the nonpool plant maintains books and records which are made available for examination upon request by the market administrator and which are adequate for verification of such Class II use; and

(3) The skim milk and butterfat, respectively, received in the form of fluid milk products at the nonpool plant during the month from a pool plant(s) (except the amounts pursuant to subparagraph (4) of this paragraph and the similar provision of such other order) and from a plant(s) at which milk is priced pursuant to another order issued pursuant to the Act does not exceed the skim milk and butterfat, respectively, resulting from the following computation:

(i) Determine the skim milk and butterfat, respectively, in Class II (as defined pursuant to § 987.41(b)(1)) at such nonpool plant during the month;

(ii) Subtract the overage or add the actual shrinkage not to exceed 2 percent of total receipts of skim milk and butterfat, respectively, in the total fluid receipts physically received at such nonpool plant during the month;

(iii) Add the increases or subtract the decreases of skim milk and butterfat, respectively, in the inventory of fluid milk products at the end of the month at such nonpool plant as compared with that at the beginning of the month;

(iv) Add the skim milk and butterfat, respectively, in milk, skim milk, or cream transferred in bulk from such nonpool plant to a plant at which milk is priced under this or another order issued pursuant to the Act which is allocated to other than Class I under the applicable order provisions at the transferee plant, but excluding any such transfers that may be classified under this or such other order pursuant to provisions similar to subparagraph (4) of this paragraph: *Provided*, That if skim milk and butterfat are received from unregulated sources at such transferee plant, such skim milk and butterfat, respectively, shall be assigned to Class II at such plant to the maximum extent possible for the purpose of this subsection;

(v) Add the skim milk and butterfat, respectively, in fluid bulk cream transferred from such nonpool plant to a second nonpool plant which is not in excess of Class II (pursuant to § 987.41(b)(1)) processed in such second nonpool plant plus the bulk fluid cream shipped therefrom to other nonpool plants which do not dispose of milk or cream in consumer packages for consumption in fluid form: *Provided*, That the second nonpool plant meets the conditions of subparagraph (2) of this paragraph; and

(vi) Subtract the skim milk and butterfat, respectively, received at such nonpool plant from any source(s) other than that which has been approved by a governmental agency as a source(s) of Grade A fluid milk products. In the event that the remaining skim milk and butterfat, respectively, is less than the skim milk and butterfat, respectively, received at such nonpool plant from a pool plant(s) and from a plant(s) at which milk is priced under another order issued pursuant to the Act, the difference shall be assigned pro rata to each pool plant (in accordance with receipts of skim milk and butterfat, respectively, from all plants regulated pursuant to the Act) and shall be classified as Class I milk; and

(4) If such nonpool plant transfers skim milk or butterfat as milk, skim, or cream in bulk to a pool plant, the amount so transferred which is not in excess of receipts during the month at such nonpool plant from pool plants shall be excluded from receipts within the meaning of subparagraph (3) of this paragraph, and shall be classified pursuant to paragraph (a) of this section as if moved directly to the second pool plant with Class II utilization indicated: *Provided*, That if the classification limitations provided in paragraph (a) of this section result in any skim milk or butterfat being classified as Class I from pool plants of two or more handlers, such classification shall be shared pro rata between such handlers unless, at or before the time of reporting, signed statements by operators of such plants indicate agreement on a different sharing of such Class I classification.

5. Delete § 987.46 and substitute the following:

§ 987.46 Allocation of skim milk classified.

The pounds of skim milk remaining after making the following computation shall be the pounds in each class allocated to producer milk:

(a) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 987.42 (b) (1);

(b) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk received as other source milk other than in the form of fluid milk products;

(c) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in other source milk received in the form of fluid milk products, except that to be subtracted pursuant to paragraph (d) of this section;

(d) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk received from plants subject to the Class I pricing and payment provisions of another order issued pursuant to the Act;

(e) Subtract from the remaining pounds of skim milk in Class I, the pounds of skim milk in inventory of fluid milk products on hand at the beginning of the month;

(f) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from pool plants of other handlers in such class pursuant to §§ 987.41 and 987.44(a).

(g) Add to the remaining pounds of skim milk in Class II the pounds subtracted pursuant to paragraph (a) of this section; and

(h) If the remaining pounds of skim milk in all classes exceeds the pounds of skim milk received from producers, subtract such excess from the remaining pounds of skim milk in each class in series beginning with Class II. Any amount so subtracted shall be known as overage.

§ 987.47 Allocation of butterfat classified.

Allocate the pounds of butterfat in each class to producer milk in the same manner as that prescribed for skim milk in § 987.46.

§ 987.48 Computation of total producer milk in each class.

Combine into one total the amounts computed pursuant to §§ 987.46 and 987.47 for each class and determine the weighted average butterfat content of producer milk.

§ 987.50 [Amendment]

6. Amend § 987.50(c) to read as follows:

(c) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture:

Present Operator and Location

McClendon Cheese Co., Newton, Miss.
Borden Co., Starkville, Miss.
Carnation Co., Tupelo, Miss.
Pet Milk Co., Kosciusko, Miss.

§ 987.53 [Amendment]

7. Amend § 987.53 starting with, "Provided, That", to read as follows:

"*Provided*, That, for the purposes of calculating such location differential, products so designated as Class I milk which are transferred between pool plants shall be assigned to any remainder of Class II milk in the transferee-plant after making the calculation prescribed in § 987.46(d) and the corresponding steps of § 987.47 for such plant, and after deducting from such remainder an amount equal to 0.05 times the skim milk and butterfat contained in the producer milk received at the transferee-plant, such assignment to transferor-plants to be made first to plants at which the greatest location differential is applicable."

7a. Delete § 987.54 and substitute:

§ 987.54 Rates of payment on other source milk.

The following rates of payment on other source milk to be applied pursuant to § 987.70 (d) and (e) shall be effective only in the months when the total receipts of producer milk are more than 110 percent of the total amount from all

sources classified as Class I (excluding duplications) at all pool plants:

(a) On other source milk received other than in the form of fluid milk products, subtract the Class II price adjusted by the Class II butterfat differential from the Class I price adjusted by the Class I butterfat differential; and

(b) On other source milk received in the form of fluid milk products, subtract the Class II price adjusted by the Class II butterfat differential from the Class I price adjusted by the Class I butterfat differential, and adjust such difference at the same rate of location differential as set forth in § 987.53 for the location of the nearest nonpool plant(s) supplying such other source milk.

8. Delete § 987.70 and substitute the following:

§ 987.70 Computation of value of producer milk.

The value of producer milk received during the month by each handler at his pool plant(s) shall be computed by the market administrator as follows:

(a) Multiply the pounds of such milk in each class by the applicable class price;

(b) Add together the resulting amounts;

(c) Add the amounts computed by multiplying the pounds of overage deducted from each class by the applicable class price;

(d) Add an amount computed by multiplying the hundredweight of skim milk and butterfat subtracted from Class I, pursuant to § 987.46(b) and the corresponding step of § 987.47, by the rate of payment determined pursuant to § 987.54(a).

(e) Add an amount computed by multiplying the hundredweight of skim milk and butterfat subtracted from Class I, pursuant to § 987.46(c) and the corresponding step of § 987.47, by the rate of payment determined pursuant to § 987.54(b).

§ 987.71 [Amendment]

9. Amend § 987.71(a) to read as follows:

(a) Combine into one total the values computed pursuant to § 987.70 for the producer milk of all handlers who submit reports prescribed in § 987.30 and who have made payments for the previous month pursuant to § 987.97.

§ 987.72 [Amendment]

10. Amend § 987.72(a) to read as follows:

(a) Compute the aggregate value of excess milk for all handlers who submit reports pursuant to § 987.30, and who have made payments for the previous month pursuant to § 987.97, as follows:

(1) Multiply the hundredweight of such milk not in excess of the total quantity of producer milk assigned to Class II milk in the pool plants of such handlers by the Class II milk price; (2) multiply any additional hundredweight of such milk by the Class I milk price; and (3) add together the resulting amounts.

11. Delete § 987.80 and substitute the following:

§ 987.80 Determination of daily base.

The daily base of each producer shall be calculated by the market administrator as follows: Divide the total pounds of milk received by all pool plants from such producer during the months of September through January by the larger of:

- (a) 120 days, or
- (b) The number of days beginning with the first day in such months on which milk is received from such producer and ending with January 31 (plus the number of days prior to the day of such first receipts on which such milk was produced, and minus the number of days in January on which milk received from such producer in February was produced).

12. Amend § 987.82(b)(1) to read as follows:

(1) If a base is transferred to a producer already holding a base, a new base shall be computed by adding together the producer milk deliveries of the transferee and the transferor during the base-forming period and dividing the total by the larger of:

- (i) 120 days; or
- (ii) The number of days beginning with the first day on which milk is received from either the transferee or transferor during the base-forming period and ending with January 31 (plus the number of days prior to the day of such first receipt on which such milk was produced, and minus the number of days in January on which milk received from such producer in February was produced).

§ 987.94 [Amendment]

13. Amend § 987.94(b) to read as follows:

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers on or before the 15th day after the end of each month, and pay such deductions to the cooperative association of which such producers are members, furnishing a statement showing the amount of any such deductions and the amount and average butterfat test of milk received from each such producer.

14. Delete § 987.95 and substitute the following:

§ 987.95 Expense of administration.

As his pro rata share of the expense of administration of this part, each handler shall pay to the market administrator on or before the 15th day after the end of the month, for the immediately preceding month, five cents per hundredweight, or such amount not exceeding

five cents per hundredweight, as the Secretary may prescribe, with respect to all:

- (a) Receipts of producer milk, including such handler's own production;
- (b) Other source milk allocated to Class I pursuant to § 987.46 (b) and (c) and the corresponding steps of § 987.47; and
- (c) Applicable amounts specified in § 987.62 (a) (2) or (b) (2).

15. Redesignate the present §§ 987.99, 987.100, 987.101, and 987.102 as §§ 987.100, 987.105, 987.106 and 987.107, respectively, and add a new § 987.99 as follows:

§ 987.99 Overdue accounts.

Any unpaid obligation of a handler or of the market administrator pursuant to §§ 987.62, 987.93, 987.94(a), 987.95, 987.97, or 987.98 shall be increased one-half of one percent each month or fraction thereof starting the third day after the date such obligation is due until such obligation is paid. Any remittance received by the market administrator postmarked not later than the date such obligation is due shall be considered to have been received when due.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Issued at Washington, D.C., this 25th day of October 1960, to be effective on and after the first day of November, 1960.

CLARENCE L. MILLER,
Assistant Secretary.

[F.R. Doc. 60-10139; Filed, Oct. 27, 1960; 8:49 a.m.]

[992.315, Amdt. 1]

PART 992—IRISH POTATOES GROWN IN WASHINGTON

Limitation of Shipments

Findings. (a) Pursuant to Marketing Agreement No. 113 and Order No. 92 (7 CFR Part 992) regulating the handling of Irish potatoes grown in the State of Washington, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), it is hereby found and determined that the amendment to the limitation of shipments, as hereinafter provided, will establish and maintain such minimum standards of quality and maturity and such grading and inspection requirements as will tend to effectuate such orderly marketing as will be in the public interest and is not for the purpose of maintaining prices to farmers above the level which it is declared to be the policy of Congress to establish under said act. It is hereby further found and determined that the estimated season average price to growers for potatoes produced in Washington during the 1960-61 marketing season will be in excess of the parity level specified in section 2(1) of the said act.

(b) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rule making procedure, and that good cause exists for not postponing the effective date of this amendment for 30 days or any other period beyond the date hereinafter specified

(5 U.S.C. 1001-1011) in that (1) the minimum standards of quality and maturity, as set forth herein, will provide more orderly marketing of potatoes regulated under the provisions of Order No. 92 than would otherwise prevail, (2) compliance with this amendment will not require any special preparation on the part of handlers which cannot be completed by the effective date, and (3) this amendment relieves restrictions.

Order. In § 992.315 (25 F.R. 6261) delete the introductory paragraph and paragraphs (a) and (b) and substitute in lieu thereof a new introductory paragraph and a new paragraph (a), also redesignate former paragraphs (c) through (f) as new paragraphs (b), (c), (d), and (e), as set forth below:

§ 992.315 Limitation of shipments.

During the period October 31, 1960, through June 30, 1961, no person shall handle any lot of potatoes unless such potatoes meet the requirements of paragraph (a) of this section or unless such potatoes are handled in accordance with paragraphs (b), (c), (d), and (e) of this section.

(a) *Minimum quality requirements—*(1) *Grade.* All varieties, U.S. No. 2, or better grade.

(2) *Size—*(i) *Round varieties.* 1½ inches minimum diameter.

(ii) *Long varieties.* 2 inches minimum diameter or 4 ounces minimum weight.

(3) *Cleanliness.* All varieties, at least "fairly clean."

(b) *Special purpose shipments.* The minimum quality requirements set forth in paragraph (a) of this section shall not be applicable to shipments of potatoes for any of the following purposes:

- (1) Certified seed;
- (2) Livestock feed;
- (3) Charity;
- (4) Starch;
- (5) Canning or freezing;
- (6) Dehydration;
- (7) Export;
- (8) Potato chipping; or
- (9) Prepeeling.

(c) *Safeguards.* Each handler making shipments of potatoes for canning or freezing, dehydration, export, potato chipping or prepeeling pursuant to paragraph (b) of this section shall:

(1) First, apply to the committee for and obtain a Certificate of Privilege to make such shipments;

(2) Pay assessments on such shipments, except shipments for canning or freezing;

(3) Have such shipments inspected, except shipments for canning or freezing;

(4) Upon request by the committee, furnish reports of each shipment pursuant to each Certificate of Privilege;

(5) At the time of applying to the committee for a Certificate of Privilege, or promptly thereafter, furnish the committee with a receiver's or buyer's certification that the potatoes so handled are to be used only for the purpose stated in such application and that such receiver will complete and return to the committee such periodic receiver's reports that the committee may require;

(6) Mail to the office of the committee a copy of the bill of lading for each Certificate of Privilege shipment promptly after the date of such shipment;

(7) Before diverting any such shipment to another receiver or buyer apply to the committee for and obtain a new Certificate of Privilege authorizing such diversion, and such handler shall also comply with requirements prescribed by subparagraphs (4) and (5) of this paragraph with respect to such diverted shipment.

(d) *Minimum quantity exception.* Each handler may ship up to, but not to exceed 5 hundredweight of potatoes any day without regard to the inspection and assessment requirements of this part, but this exception shall not apply to any portion of a shipment over 5 hundredweight of potatoes.

(e) *Definitions.* The terms "U.S. No. 2," and "fairly clean," shall have the same meaning as when used in the United States Standards for Potatoes (§§ 51.1540-51.1556 of this title), including the tolerances set forth therein. The term "prepeeling" means potatoes which are clean, sound, fresh tubers prepared commercially in a prepeeling plant by washing, removal of the outer skin or peel, trimming, and sorting preparatory to sale in one or more of the styles of peeled potatoes described in § 52.2422 of this title (United States Standards for Grades of Peeled Potatoes, §§ 52.2421-52.2433 of this title). Other terms used in this section shall have the same meaning as when used in Marketing Agreement No. 113 and this part.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: October 25, 1960; to become effective October 31, 1960.

FLOYD F. HEDLUND,
Deputy Director,
Fruit and Vegetable Division.

[F.R. Doc. 60-10141; Filed, Oct. 27, 1960;
8:49 a.m.]

[Milk Order 114]

PART 1014—MILK IN MISSISSIPPI GULF COAST MARKETING AREA

Order Amending Order

§ 1014.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to

the tentative marketing agreement and to the order regulating the handling of milk in the Mississippi Gulf Coast marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order effective not later than November 1, 1960. Any delay beyond that date would tend to disrupt the orderly marketing of milk in the marketing area.

The provisions of the said order are known to handlers. The recommended decision of the Deputy Administrator of the Agricultural Marketing Service was issued August 2, 1960, and the decision of the Assistant Secretary containing all amendment provisions of this order, was issued September 27, 1960. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order effective November 1, 1960, and that it would be contrary to the public interest to delay the effective date of this order for 30 days after its publication in the FEDERAL REGISTER. (Sec. 4(c), Administrative Procedure Act, 5 U.S.C. 1001-1011)

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as herein amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Mississippi Gulf Coast marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

§ 1014.10 [Amendment]

1. Amend § 1014.10(b) as follows:

(b) A supply plant from which during the month 50 percent or more of receipts from dairy farmers producing Grade A milk is moved to a plant(s) described in paragraph (a) of this section. Any supply plant that was a pool plant during each of the months of September through January immediately preceding shall continue to be a pool plant each of the following months of February through August unless written notice to the market administrator is received, before the first day of the month of its intention to withdraw, in which case such plant shall thereafter be a nonpool plant, unless it again qualifies as a supply plant by shipping 50 percent or more of its receipts from dairy farmers to a plant(s) described in paragraph (a) of this section.

§ 1014.12 [Amendment]

2. Amend § 1014.12(c) as follows:

(c) A cooperative association with respect to milk of producers diverted for the account of such association from a pool plant to a nonpool plant in accordance with § 1014.15.

3. Delete § 1014.14 and substitute the following:

§ 1014.14 Producer.

"Producer" means any person other than a producer-handler, who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority, which milk is received during the month at a pool plant or is diverted pursuant to § 1014.15.

4. Delete § 1014.15 and substitute the following:

§ 1014.15 Producer milk.

"Producer milk" means all skim milk and butterfat contained in milk received at a pool plant or by a cooperative association as provided pursuant to § 1014.12(c) for the account of such handler, subject to the following conditions:

(a) The operator of a pool plant may divert the milk production of a producer to the pool plant of another handler for any number of days of the month;

(b) During any month the operator of a pool plant or a cooperative association may divert the days production of milk of a producer from a pool plant to a nonpool plant on not more than one-third of the number of days' production of such producer as received at a pool plant during the month: *Provided*, That such diversion privileges during each of the months of March through July shall be applicable only to the milk of those dairy farmers who held producer status throughout the entire two immediately

preceding months, except that only for the purpose of determining eligibility for diversion during any month of March through July a dairy farmer who was in noncompliance with the Grade A requirements of a duly constituted health authority during part of the two immediately preceding months shall be considered to have maintained producer status during the period of such noncompliance.

(c) Milk diverted for the account of the operator of a pool plant shall be deemed to have been received at the plant from which diverted, and milk diverted for the account of a cooperative association shall be deemed to have been received by the cooperative association at the location of the pool plant from which it was diverted.

(d) In case milk diverted is in excess of the amount specified in paragraph (b) of this section, only that milk physically received at a pool plant will be producer milk.

§ 1014.22 [Amendment]

5. Amend § 1014.22(i) as follows:

(i) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate, and notify each handler in writing:

(1) On or before the 6th day of each month, the minimum price for Class I milk pursuant to § 1014.50(a) and the Class I butterfat differential computed pursuant to § 1014.51(a), both for the current month, and the minimum price for Class II milk computed pursuant to § 1014.50(b) and the Class II butterfat differential computed pursuant to § 1014.51(b) both for the previous month;

(2) On or before the 10th day after the end of each of the months of August through February, the uniform price computed pursuant to § 1014.71 and the butterfat differential computed pursuant to § 1014.81; and

(3) On or before the 10th day after the end of each of the months of March through July, the uniform prices for base milk and for excess milk computed pursuant to § 1014.72 and the butterfat differential computed pursuant to § 1014.81.

6. Amend the first paragraph of § 1014.30 as follows:

§ 1014.30 Reports of receipts and utilization.

On or before the sixth day of each month each handler operating a pool plant(s), each handler (other than a producer-handler) who operates a nonpool distributing plant and any cooperative association with respect to milk for which it is a handler shall report for the preceding month to the market administrator in the detail and on forms prescribed by the market administrator as follows:

7. Delete § 1014.44 and substitute the following:

§ 1014.44 Transfers.

Skim milk and butterfat transferred or diverted during the month as a fluid milk product from a pool plant to:

(a) The pool plant of another handler shall be classified as Class I, unless:

(1) Class II utilization is indicated by the operators of both plants in their reports submitted pursuant to § 1014.30;

(2) The receiving plant has utilization in Class II of equivalent amounts of skim milk and butterfat, respectively; and

(3) Such skim milk and butterfat shall be classified so as to allocate to producer milk the greatest possible Class I utilization in the two plants;

(b) A plant operated by a producer-handler shall be Class I milk;

(c) A nonpool plant that is a pool plant (a fully regulated plant) under another order issued pursuant to the Act shall be classified, if transferred in bulk, pursuant to the classification and allocation procedure of the other Federal order: *Provided*, That in the event such nonpool plant receives skim milk and butterfat from two or more plants regulated by an order(s), other than that under which it is regulated, the amount classified in each class shall be a pro rata share of such receipts allocated to that class;

(d) A nonpool plant, except as specified in paragraphs (b) and (c) of this section, shall be Class I milk unless:

(1) The transferring handler claims Class II use on his report for the month;

(2) The operator of the nonpool plant maintains books and records which are made available for examination upon request by the market administrator and which are adequate for verification of such Class II use; and

(3) The skim milk and butterfat, respectively, received in the form of fluid milk products received at the nonpool plant during the month from a pool plant(s) (except the amounts pursuant to subparagraph (4) of this paragraph and the similar provision of such other order) and from a plant(s) at which milk is priced pursuant to another order issued pursuant to the Act does not exceed the skim milk and butterfat, respectively, resulting from the following computation:

(i) Determine the skim milk and butterfat, respectively, in Class II (as defined pursuant to § 1014.41(b)(1)) at such nonpool plant during the month;

(ii) Subtract the overage or add the actual shrinkage not to exceed 2 percent of total receipts of skim milk and butterfat, respectively, in the total receipts physically received at such nonpool plant during the month;

(iii) Add the increases or subtract the decreases of skim milk and butterfat, respectively, in the inventory of fluid milk products at the end of the month at such nonpool plant as compared with that at the beginning of the month;

(iv) Add the skim milk and butterfat, respectively, in milk, skim milk, or cream transferred in bulk from such nonpool plant to a plant at which milk is priced under this or another order issued pursuant to the Act which is allocated to other than Class I under the applicable order provisions at the transferee plant, but excluding any such transfers that may be classified under this or such other order pursuant to provisions similar to

subparagraph (4) of this paragraph: *Provided*, That if skim milk and butterfat are received from unregulated sources at such transferee plant, such skim milk and butterfat, respectively, shall be assigned to Class II at such plant to the maximum extent possible for the purpose of this subparagraph;

(v) Add the skim milk and butterfat, respectively, in fluid bulk cream transferred from such nonpool plant to a second nonpool plant which is not in excess of Class II (pursuant to § 1014.41(b)(1)) processed in such second nonpool plant plus the bulk fluid cream shipped therefrom to other nonpool plants which do not dispose of milk or cream in consumer packages for consumption in fluid form: *Provided*, That the second nonpool plant meets the conditions of subparagraph (2) of this paragraph; and

(vi) Subtract the skim milk and butterfat, respectively, received at such nonpool plant from any source(s) other than that which has been approved by a governmental agency as a source(s) of Grade A fluid milk products. In the event that the remaining skim milk and butterfat, respectively, is less than the skim milk and butterfat, respectively, received at such nonpool plant from a pool plant(s) and from a plant(s) at which milk is priced under another order issued pursuant to the Act, the difference shall be assigned pro rata to each pool plant (in accordance with receipts of skim milk and butterfat, respectively, from all plants regulated pursuant to the Act) and shall be classified as Class I milk; and

(4) If such nonpool plant transfers skim milk or butterfat as milk, skim milk, or cream in bulk to a pool plant, the amount so transferred which is not in excess of receipts during the month at such nonpool plant from pool plants shall be excluded from receipts within the meaning of subparagraph (3) of this paragraph, and shall be classified pursuant to paragraph (a) of this section as if moved directly to the second pool plant with Class II utilization indicated: *Provided*, That if the classification limitations provided in paragraph (a) of this section result in any skim milk or butterfat being classified as Class I from pool plants of two or more handlers, such classification shall be shared pro rata between such handlers unless, at or before the time of reporting, signed statements by operators of such plants indicate agreement on a different sharing of such Class I classification.

8. Delete § 1014.46 and substitute the following:

§ 1014.46 Allocation of skim milk classified.

The pounds of skim milk remaining after making the following computation shall be the pounds in each class allocated to producer milk:

(a) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 1014.41(b)(3);

(b) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk received as other

source milk other than in the form of fluid milk products;

(c) Subtract from the pounds of skim milk remaining in each class in series beginning with Class II, the pounds of skim milk in other source milk received in the form of fluid milk products, except that to be subtracted pursuant to paragraph (d) of this section;

(d) Subtract from the pounds of skim milk remaining in each class in series beginning with Class II, the pounds of skim milk received from plants subject to the Class I pricing and payment provisions of another order issued pursuant to the Act;

(e) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II, the pounds of skim milk in inventory of fluid milk products on hand at the beginning of the month;

(f) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from pool plants of other handlers in such class pursuant to §§ 1014.41 and 1014.44(a);

(g) Add to the remaining pounds of skim milk in Class II the pounds subtracted pursuant to paragraph (a) of this section; and

(h) If the remaining pounds of skim milk in all classes exceeds the pounds of skim milk in milk received from producers, subtract such excess from the remaining pounds of skim milk in each class in series beginning with Class II. Any amount so subtracted shall be known as overage.

9. Add two new §§ 1014.47 and 1014.48 as follows:

§ 1014.47 Allocation of butterfat classified.

Allocate the pounds of butterfat in each class to producer milk in the same manner as that prescribed for skim milk in § 1014.46.

§ 1014.48 Computation of total producer milk in each class.

Combine into one total the amounts computed pursuant to §§ 1014.46 and 1014.47 for each class and determine the weighted average butterfat content of producer milk.

§ 1014.50 [Amendment]

9a. In § 1014.50(b) delete the reference to Kraft Cheese Company and substitute McClendon Cheese Company.

10. Delete § 1014.52 and substitute the following:

§ 1014.52 Location differentials to handlers.

For milk which is received from producers at a pool plant located more than 60 miles by the shortest highway distance as determined by the market administrator from the courthouse in Gulfport or Pascagoula, Mississippi, whichever is closer, and which is classified as Class I milk the prices computed pursuant to § 1014.50(a) shall be reduced by 10 cents if such plant is located more than 60 miles but not more than 160 miles from such courthouse and by an additional 1.5 cents for each 10 miles or fraction thereof that such distance exceeds 160 miles: *Provided, That, for*

the purposes of calculating such location differentials, fluid milk products transferred between pool plants shall be assigned to any remainder of Class II milk in the transferee-plant after making the calculations prescribed in § 1014.46(d) and the comparable steps in § 1014.47 for such plant, such assignment to transferor-plants to be made first to plants at which the greatest location differential is applicable.

11. Change the present § 1014.53 to § 1014.54 and add a new § 1014.53 as follows:

§ 1014.53 Rates of payment on other source milk.

The following rates of payment on other source milk to be applied pursuant to § 1014.70 (c) (e) and (f) shall be effective only in the months when the total receipts of producer milk are more than 112 percent of the total amount from all sources classified as Class I (excluding duplications) at all pool plants:

(a) On other source milk received other than in the form of fluid milk products, subtract the Class II price adjusted by the Class II butterfat differential from the Class I price adjusted by the Class I butterfat differential; and

(b) On other source milk received in the form of fluid milk products, subtract the Class II price adjusted by the Class II butterfat differential from the Class I price adjusted by the Class I butterfat differential, and adjust such difference at the same rate of location differential as set forth in § 1014.52 for the location of the nearest nonpool plant(s) supplying such other source milk.

12. Amend the first paragraph of § 1014.61 to read as follows:

§ 1014.61 Handler operating a nonpool distributing plant.

Each handler other than a handler pursuant to §§ 1014.13 and 1014.62 who operates, during the month, a nonpool distributing plant shall pay to the market administrator on or before the 25th day after the end of the month the amount calculated pursuant to paragraph (a) (1) of this section unless the handler elects at the time of reporting pursuant to § 1014.30 to pay the amount computed pursuant to paragraph (b) (1) of this section:

13. Delete § 1014.70 and substitute the following:

§ 1014.70 Computation of the value of milk received from producers by each handler.

The value of milk received during each month by each handler from producers at his pool plant(s) shall be a sum of money computed as follows:

(a) Multiply the pounds of milk in each class computed pursuant to § 1014.48 by the applicable class prices and add together the resulting amounts;

(b) Add an amount computed by multiplying the pounds of overage deducted from each class pursuant to § 1014.46(h) and the corresponding step of § 1014.47 by the applicable class price;

(c) Add an amount computed by multiplying the skim milk and butterfat subtracted from Class I pursuant to

§ 1014.46(b) and the corresponding step of § 1014.47 by the rate as determined pursuant to § 1014.53(a).

(d) Add the amount obtained by multiplying by the difference between the Class II price for the preceding month and the Class I price for the current month the lesser of:

(1) The hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1014.46(e) and the corresponding step of § 1014.47; or

(2) The hundredweight of producer milk classified as Class II (except shrinkage) during the preceding month;

(e) Add an amount computed by multiplying the skim milk and butterfat subtracted from Class I pursuant to § 1014.46(c) and the corresponding step of § 1014.47 by the rate pursuant to § 1014.53(b) for the nearest plant(s) from which an equal amount of other source milk was received in the form of fluid milk products; and

(f) Add an amount computed by multiplying the skim milk and butterfat subtracted from Class I pursuant to § 1014.46(e) and the corresponding step of § 1014.47 by the rate pursuant to § 1014.53 (a) or (b) as the case may be, which:

(1) Is in excess of the sum of:

(i) The quantity for which payment is computed pursuant to paragraph (d) of this section; and

(ii) The quantity subtracted for the preceding month from Class II pursuant to § 1014.46(d) and the corresponding step of § 1014.47; and

(2) Is also not in excess of the quantity subtracted from Class II pursuant to § 1014.46 (b) and (c) in the preceding month.

14. Amend § 1014.72(b) by changing the reference to § 1014.81 to § 1014.82.

15. Amend § 1014.72(d) by changing the reference to § 1014.82 to § 1014.81.

16. Delete § 1014.75 and substitute the following:

§ 1014.75 Determination of daily base.

The daily base of each producer shall be calculated by the market administrator as follows: Divide the total pounds of milk received by all pool plants from such producer during the months of September through January by the larger of:

(a) 120 days, or

(b) The number of days beginning with the first day in such months on which milk is received from such producer and ending with January 31 (plus the number of days prior to the day of such first receipt on which such milk was produced, and minus the number of days in January on which milk received from such producer in February was produced).

§ 1014.77 [Amendment]

17. Delete § 1014.77(b) (1) and substitute the following:

(1) If one or more bases are transferred to a producer holding a base, a new base shall be computed by adding together the producer milk deliveries of the transferee and transferor during the base-forming period and dividing the total by the larger of:

(i) 120 days; or
 (ii) The number of days beginning with the first day on which milk is received from either the transferee or transferor during the base-forming period and ending with January 31 (plus the number of days prior to the day of such first receipt on which such milk was produced, and minus the number of days in January on which milk received from such producer in February was produced).

§ 1014.88 [Amendment]

17a. Delete § 1014.88(b) and substitute the following:

(b) Other source milk allocated to Class I pursuant to § 1014.46 (b) and (c) and the corresponding steps of § 1014.47; and

18. Redesignate § 1014.89 as § 1014.90 and add a new § 1014.89.

§ 1014.89 Overdue accounts.

Any unpaid obligation of a handler or of the market administrator pursuant to §§ 1014.61, 1014.84, 1014.85, 1014.86, 1014.87(a) or 1014.88 shall be increased one-half of one percent each month or fraction thereof starting the third day after the date such obligation is due until such obligation is paid. Any remittance received by the market administrator postmarked not later than the date such obligation is due shall be considered to have been received when due.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Issued at Washington, D.C., this 25th day of October 1960, to be effective on and after the first day of November 1960.

CLARENCE L. MILLER,
Assistant Secretary.

[F.R. Doc. 60-10140; Filed, Oct. 27, 1960; 8:49 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Reg. Docket 301; Supp. 60-31]

PART 60—AIR TRAFFIC RULES

Washington National Airport

It was proposed in Draft Release No. 60-3 (25 F.R. 2137) to rescind the special traffic rules for Washington National Airport contained in § 60.18-7, Part 60 of the Civil Air Regulations, and to adopt new rules for the airport in a new Part 619.¹ The new part 619 has been adopted and this amendment simply rescinds § 60.18-7.

In consideration of the foregoing, Part 60 of the Civil Air Regulations (14 CFR Part 60) is hereby amended effective on November 29, 1960, by deleting § 60.18-7.

(Secs. 307, 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

¹ See F.R. Document 60-10101, *infra*.

Issued in Washington, D.C., on October 24, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-10099; Filed, Oct. 27, 1960; 8:45 a.m.]

Chapter III—Federal Aviation Agency

SUBCHAPTER D—AIRPORT REGULATIONS

[Reg. Docket 301; Amdt. 9]

PART 570—WASHINGTON NATIONAL AIRPORT

Special Traffic Rules

As proposed in Draft Release No. 60-3 (25 F.R. 2137), the special traffic rules for Washington National Airport contained in § 60.18-7, Part 60 of the Civil Air Regulations, are being rescinded and new rules for the airport are being adopted in a new Part 619.¹ Section 570.55(c) contains a reference to § 60.18-7 and this action simply changes the reference to Part 619.

In consideration of the foregoing, § 570.55(c) of Part 570 (14 CFR Part 570) is amended effective on November 29, 1960, by striking "§ 60.18-7" and substituting "Part 619".

(Secs. 307(c), 313(a), 1402(f), 72 Stat. 750, 752, 807; 49 U.S.C. 1348, 1354; sec. 2, 54 Stat. 688, 2 D.C. Code 1302)

Issued in Washington, D.C., on October 24, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-10100; Filed, Oct. 27, 1960; 8:45 a.m.]

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 60-NY-57]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

PART 608—RESTRICTED AREAS

Designation of Restricted Area/Military Climb Corridor and Modification of Federal Airways

On July 14, 1960, a notice of proposed rule making was published in the FEDERAL REGISTER (25 F.R. 6651) stating that the Federal Aviation Agency was considering amendments to §§ 600.6003, 600.6039, 600.6471 and 608.27 of the regulations of the Administrator which would result in the following: modify the segments of VOR Federal airways No. 3 between Bangor, Maine, and Houlton, Maine; Victor 39 between Augusta, Maine, and Millinocket, Maine; Victor 471 between Bangor and Millinocket and designate a Restricted Area/Military Climb Corridor at Dow AFB, Bangor, Maine.

As stated in the Notice, the amendments will result in the following actions:

1. Redesignate Victor 3 from Bangor VOR to Houlton VOR via the intersection of the Bangor VOR 039° True and the Houlton 203° True radials.

¹ See F.R. Document 60-10101, *infra*.

2. Redesignate Victor 39 from Augusta VOR to Millinocket VOR via the Augusta VOR 020° True and the Millinocket VOR 233° True radials.

3. Redesignate Victor 471 from the Bangor VOR direct to the Millinocket VOR.

4. Designate Restricted Area/Military Climb Corridor (R-4) at Dow AFB. The corridor will extend along the 312° True radial of the Dow AFB TACAN from 8.2 statute miles northwest of the TACAN to 35.2 statute miles northwest of the TACAN having a width of 2 statute miles at the beginning and a width of 5 statute miles at the outer extremity. The lower altitude limits in graduated steps would extend from 2,200 feet MSL to 19,200 feet MSL. The upper altitude limits would extend from 15,200 feet MSL to 27,000 feet MSL. The controlling agency would be the Dow AFB Approach Control.

The modification to the airways will permit optimum use of altitudes on the airway segments while the climb corridor is in use.

The Department of the Air Force concurred in the proposal and recommended early implementation of the action. The Air Line Pilots Association offered no objection. The Air Transport Association of America concurred in the designation of R-4 and the modification of Victor airways 3 and 471 as proposed. However, the ATA did not concur with the modification of Victor 39 and suggested that Victor 39 be dealt with as a low altitude airway and that above 14,500 feet MSL an intermediate altitude airway be designated. Specifically, ATA suggested that Victor 39 be realigned via the appropriate Augusta VOR and Millinocket VOR radials with respect to the climb corridor in such a way that altitudes up to 14,000 feet MSL would be available and the airway width southeast of the centerline at its juncture with the climb corridor could be the minimum permissible 3 miles. ATA further suggested the realignment of a Victor 1500 series airway in the area to handle intermediate altitude traffic.

As proposed, Victor 39 coincides with that segment of the climb corridor which encompasses altitudes 19,200 feet MSL to 27,000 feet MSL. In analyzing the ATA suggestion, the Federal Aviation Agency has determined that by realigning Victor 39 via the Augusta VOR 025° True and the Millinocket VOR 228° True radials, the airway will coincide with the segment of the climb corridor which encompasses altitudes 15,200 feet MSL to 27,000 feet MSL. This will permit 14,000 feet MSL and below to be used on Victor 39, will not require any reduction in the width of the airway and will reduce the mileage between Augusta and Millinocket. Any further realignment of the radials to obtain a more direct airway between Augusta and Millinocket and retain the use of 14,000 feet MSL and below on the airway will result in an airway width of less than standard. The Agency does not consider this practical in this instance, because of the distance between the two facilities on which the airway is based and the fact that the

turning point for the airway is located in the center of the climb corridor. With regard to designating an intermediate altitude airway in the area, the Federal Aviation Agency must designate airways at the present time in accordance with Part 600 of the regulations of the Administrator which makes no reference to intermediate or low altitude airways. In the event Part 600 is changed to permit such designation of airways, the Agency will consider the ATA suggestion at that time.

No other adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530, 25 F.R. 8005), the following actions are taken:

1. In the text of § 600.6003 (14 CFR 600.6003, 25 F.R. 2011, 2662, 5691, 3814) "Houlton, Maine, omnirange station" is deleted and "INT of Bangor VOR 039° True and the Houlton VOR 203° True radials; Houlton, Maine, VOR;" is substituted therefor.

2. In the text of § 600.6039 (14 CFR 600.6039, 25 F.R. 1664, 2662) "Millinocket, Maine, VOR;" is deleted and "INT of Augusta VOR 025° True and the Millinocket VOR 228° True radials; Millinocket, Maine, VOR;" is substituted therefor.

3. In the text of § 600.6471 (25 F.R. 2387) "via the INT of the Bangor VOR 360° T and the Millinocket VOR 216° T radials; Millinocket, Maine, VOR;" is deleted and "via the Millinocket, Maine, VOR" is substituted therefor.

4. In § 608.27 Maine (23 F.R. 8581), add the following:

Bangor, Maine (Dow AFB), Restricted Area/Military Climb Corridor (R-4) (Lewis-ton Chart).

Description. That area centered on the 312° True radial of the Dow AFB TACAN beginning 8.2 statute miles northwest of the TACAN and extending 35.2 statute miles northwest of the TACAN, having a width of 2 statute miles at the beginning and 5 statute miles at the outer extremity.

Designated Altitudes

2,200' MSL to 15,200' MSL from 8.2 statute miles northwest of the TACAN to 9.2 statute miles northwest of the TACAN.
2,200' MSL to 24,200' MSL from 9.2 to 10.2 statute miles northwest of the TACAN.
2,200' MSL to 27,000' MSL from 10.2 to 13.2 statute miles northwest of the TACAN.
6,200' MSL to 27,000' MSL from 13.2 to 18.2 statute miles northwest of the TACAN.
10,200' MSL to 27,000' MSL from 18.2 to 23.2 statute miles northwest of the TACAN.
15,200' MSL to 27,000' MSL from 23.2 to 28.2 statute miles northwest of the TACAN.
19,200' MSL to 27,000' MSL from 28.2 to 35.2 statute miles northwest of the TACAN.

Time of use. Continuous.

Controlling agency. Dow AFB, Maine, Approach Control.

These amendments shall become effective 0001 e.s.t. January 12, 1961.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on October 21, 1960.

D. D. THOMAS,
Director, Bureau of
Air Traffic Management.

[F.R. Doc. 60-10113; Filed, Oct. 27, 1960;
8:45 a.m.]

[Airspace Docket No. 60-WA-224]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, POSITIVE CONTROL ROUTE SEGMENTS, AND POSITIVE CONTROL AREAS

Modification of Amendment; Change of Effective Date

On October 6, 1960, there was published in the FEDERAL REGISTER (25 F.R. 9599) amendments to §§ 601.4101 and 601.7001 of the regulations of the Administrator. These amendments, to be effective December 15, 1960, designated the Cape Suckling, Alaska, intersection as a compulsory reporting point and revoked the Icy Bay, Alaska, and the Tarentum, Pa., intersections as compulsory reporting points.

New procedures have been developed in the Pittsburgh, Pa., area which make it desirable to revoke the Tarentum intersection as soon as possible so as to avoid confusion in implementing these procedures. Therefore, it is necessary to advance the effective date of the revocation of the Tarentum intersection to November 17, 1960.

For the reasons stated in the preamble to the rule as initially adopted, the amendment modified herein may be made effective less than 30 days after publication. Therefore, this change is made in compliance with section 4 of the Administrative Procedure Act.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), effective immediately, Airspace Docket No. 60-WA-224 (25 F.R. 9599) is amended to read:

1. In the text of § 601.7001 (14 CFR 601.7001; 25 F.R. 7489) "Tarentum INT: The INT of the Imperial, Pa., VORTAC 074° True and the Ellwood City, Pa., VORTAC 122° True radials." is deleted.

This amendment shall become effective 0001 e.s.t. November 17, 1960.

2. In the text of § 601.4101 (14 CFR 601.4101; 25 F.R. 3458) "the intersection of the northwest course of the Yakutat, Alaska, radio range and the southeast course of the Yakataga, Alaska, radio range;" is deleted and "the INT of the SW course of the Yakataga, Alaska, RR and the SE course of the Hinchinbrook, Alaska, RR;" is substituted therefor.

This amendment shall become effective 0001 e.s.t. December 15, 1960.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on October 21, 1960.

D. D. THOMAS,
Director, Bureau of
Air Traffic Management.

[F.R. Doc. 60-10112; Filed, Oct. 27, 1960;
8:45 a.m.]

[Airspace Docket No. 60-WA-252]

PART 602—ESTABLISHMENT OF CODED JET ROUTES AND NAVIGATIONAL AIDS IN THE CONTINENTAL CONTROL AREA

Correction

On April 21, 1959, there was published in the FEDERAL REGISTER (24 F.R. 3042) Amendment No. 9 to Part 602 of the regulations of the Administrator. This amendment lowered the base of jet routes from 27,000 feet MSL to 24,000 feet MSL but, through inadvertence, was not made applicable to § 602.2(c). Thus, action is taken herein to correct this section.

Since this correction is editorial in nature, and imposes no additional burden on the public, compliance with the notice, public procedure and effective date requirements of section 4 of the Administrative Procedure Act is unnecessary.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), the following action is taken:

In § 602.2(c) "27,000 feet MSL" is deleted and "24,000 feet MSL" is substituted therefor.

This amendment shall become effective upon the date of publication in the FEDERAL REGISTER.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on October 21, 1960.

D. D. THOMAS,
Director, Bureau of
Air Traffic Management.

[F.R. Doc. 60-10111; Filed, Oct. 27, 1960;
8:45 a.m.]

[Reg. Docket 301]

PART 619—SPECIAL AIRPORT TRAFFIC RULES

Washington National Airport Traffic Area Rules

Draft Release No. 60-3, published in the FEDERAL REGISTER on March 15, 1960 (25 F.R. 2137), gave notice that the Federal Aviation Agency had under consideration a proposal to establish a new part, "Part 619—Special Airport Traffic Rules," which will contain special airport traffic rules and patterns that may apply at various airports. Draft Release No. 60-3 also proposed airport traffic pattern area rules for the Washington National Airport to be contained in this proposed new part.

The comments received in response to Draft Release No. 60-3 indicated an endorsement of the proposition which would establish a particular part within which all special airport traffic patterns would be contained. The rules adopted herein will establish this new part and contain the special airport traffic rules for the Washington National Airport. It is intended that the airport traffic rules currently contained in Civil Aeronautics Manual 60 ultimately will be in-

cluded in this new part and future special traffic pattern rules also are intended to be included.

Among the comments received which addressed the operational aspects of the airport traffic rules contained in Draft Release No. 60-3, the consensus indicated an endorsement of the airport traffic pattern area concept which establishes an area of airspace around the airport for the movement of airport traffic and within which special operating rules apply. It was pointed out, however, that the use of the terms "airport traffic pattern area" and "airport traffic pattern" may lead to confusion. It is concluded that confusion may be avoided by using instead the term "airport traffic area." This term, therefore, will be substituted in this rule for "airport traffic pattern area" without changing the meaning or intent.

Several comments pointed out that the proposed rules did not provide for helicopters destined for a landing at airports within the Washington National Airport Traffic Area, other than the Washington National Airport. Draft Release No. 60-3 contained a provision for helicopter entry requirements but the provision was so arranged in the rules that it was limited in applicability to helicopters landing at Washington National Airport whereas the provision should apply to all helicopters irrespective of destination within the Washington National Airport Traffic Area.

Accordingly, the rule is rearranged so as to provide requirements applicable to all helicopters operating within the airport traffic area rather than only those destined for Washington National Airport.

Some apprehension was expressed that certain of the provisions appear unduly restrictive. For example, it was felt that the proposed rules would reduce the flexibility of helicopter operations which have been operating under previously agreed air traffic control procedures. The purpose of the rule is to establish a uniform operating technique, principally for use by itinerant pilots, so as to facilitate the expeditious and orderly flow of traffic by the controllers. The provision, "unless otherwise authorized by air traffic control," provides ample flexibility which recognizes the communications requirement and the air traffic control capability and as well takes advantage of the unique operating characteristics of the helicopter. Accordingly, those helicopter operators having written authorizations or approval of the Washington National Airport Traffic Control Tower for particular flight procedures may continue to operate in accordance with such procedures since air traffic control has authorized such procedures.

Another example concerned the Riverdale Departure Corridor wherein it was suggested that it not be limited to departures but should also be used for inbound flights. Here again, exceptions of this nature are contemplated in the rule and are reflected in the provision which states, in effect, "that all aircraft operating in the Washington National Airport Traffic Area shall be operated in

accordance with the rules * * * unless otherwise authorized by air traffic control * * *". Although it is intended that the Riverdale Departure Corridor be used primarily for departures, its use for inbound traffic is dependent upon the traffic situation and may be authorized for inbound use by air traffic control. A note has been added to the diagrams to indicate inbound use upon approval of the Washington National Airport controller.

Further, in recognition of this air traffic control authority, the requirement contained in Draft Release No. 60-3 relating to the 45 degree entry into the traffic pattern has been deleted. With communications and air traffic control available, it was concluded that unnecessary flight maneuvering to enter traffic at 45 degrees would inhibit expeditious movement of traffic.

The diagrams have also been modified to provide a more generalized depiction of the traffic flow patterns and thereby avoid the implication that particular flight paths over precise courses are required under all circumstances. The modification to the rule regarding helicopter diagram unnecessary and that diagram is not included herein.

Another modification made to the rule in light of the comments received concerns the avoidance of the Pentagon by outbound traffic taking off from runway 33. A number of comments recommended that the prohibition of flight over this building be modified so as to read "to the extent practicable." It was contended that, under certain wind and aircraft load conditions, the execution of a turn to avoid the Pentagon could well introduced hazards of safety that are not justified by the extent of noise reduction such a turn might achieve. Further, it was pointed out that in certain weather conditions this requirement could compound the complexities of the movement of instrument flight rule air traffic. There being merit in this recommendation, the rule herein adopted is so modified.

Some concern was also expressed in the comments about the title "VFR corridor" which was shown on the diagram depicting the route of arriving and departing air traffic at Bolling Air Force Base and Anacostia Naval Air Station. It was contended that such a title might promote a misunderstanding which could lead some pilots to believe that operation within such a route provided an assurance against conflict with other air traffic. This point was addressed in Draft Release No. 60-3 and an effort was made to provide an explicit understanding of the fact that operation within such routes in no way relieves the pilot of the obligation to maintain a vigilant watch for other air traffic. Since the title has been in use for some time and since the phrase "VFR" is included in the title, the Agency does not believe a modification is in order.

Several aviation organizations expressed concern over the consideration of "anti-noise" regulations on an airport-by-airport basis. For purposes of this regulation, the Potomac and Anacostia Rivers form natural noise abate-

ment routes for northerly and southerly departures and the rules herein utilize these routes to maximum advantage consistent with safety. The Agency has under active development a proposed revision of the air traffic rules, to be typically applicable at any location but sufficiently flexible to allow for local or special procedures to account for specific noise problems.

The provisions of Draft Release No. 60-3 pertaining to the Washington-Virginia Airport were intended to establish the traffic pattern at that airport within a one-mile radius of the geographical center. Since the geographical center is more difficult to discern than the airport boundary during times when the pilot is maneuvering to land or after takeoff, and unduly limits maneuvering airspace, it is considered reasonable to use the airport boundary rather than the geographical center of the airport as the traffic pattern reference point. Accordingly, the rule has been modified to refer to the airport boundary.

Concurrent actions are being taken to rescind § 60.18-7 and to amend § 570.55 (c) so that it refers to the new Part 619.

In consideration of the foregoing, a new Part 619 (14 CFR Part 619) is hereby adopted to read as follows:

Subpart A—Introduction

Sec.
619.1 Purpose.

Subpart B—Operating Rules

619.10 Washington National Airport Traffic Area.

AUTHORITY: §§ 619.1 and 619.10 are issued under secs. 307, 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354.

Subpart A—Introduction

§ 619.1 Purpose.

This part contains special air traffic rules, in addition to those air traffic rules contained in Part 60 of this title (14 CFR Part 60), which apply to airport traffic areas as designated in this part.

Subpart B—Operating Rules

§ 619.10 Washington National Airport Traffic Area.

The Washington National Airport Traffic Area shall consist of the airspace prescribed by a 5 statute mile horizontal radius from the geographical center of that airport and extending upwards from the surface to, but not including, 2,000 feet mean sea level (m.s.l.). All aircraft shall be operated within the Washington National Airport Traffic Area in accordance with the following rules unless otherwise authorized by air traffic control and, in addition, shall be operated in accordance with such other provisions of the Civil Air Regulations as may be applicable.

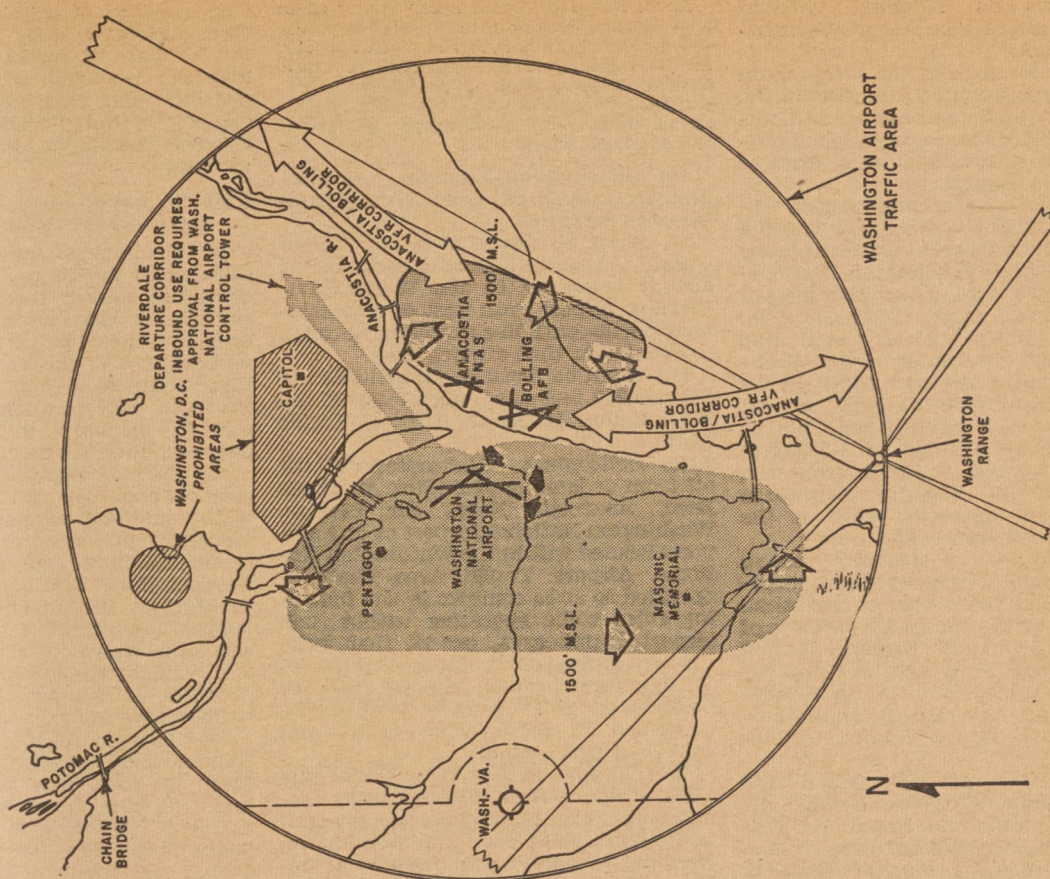
(a) *General rules*—(1) *Avoidance of Airport Traffic Area.* En route aircraft shall be flown so as to avoid the Washington National Airport Traffic Area.

(2) *Communications.* Two-way radio communication shall be established with the Washington National Airport Traffic Control Tower prior to entering the Washington National Airport Traffic

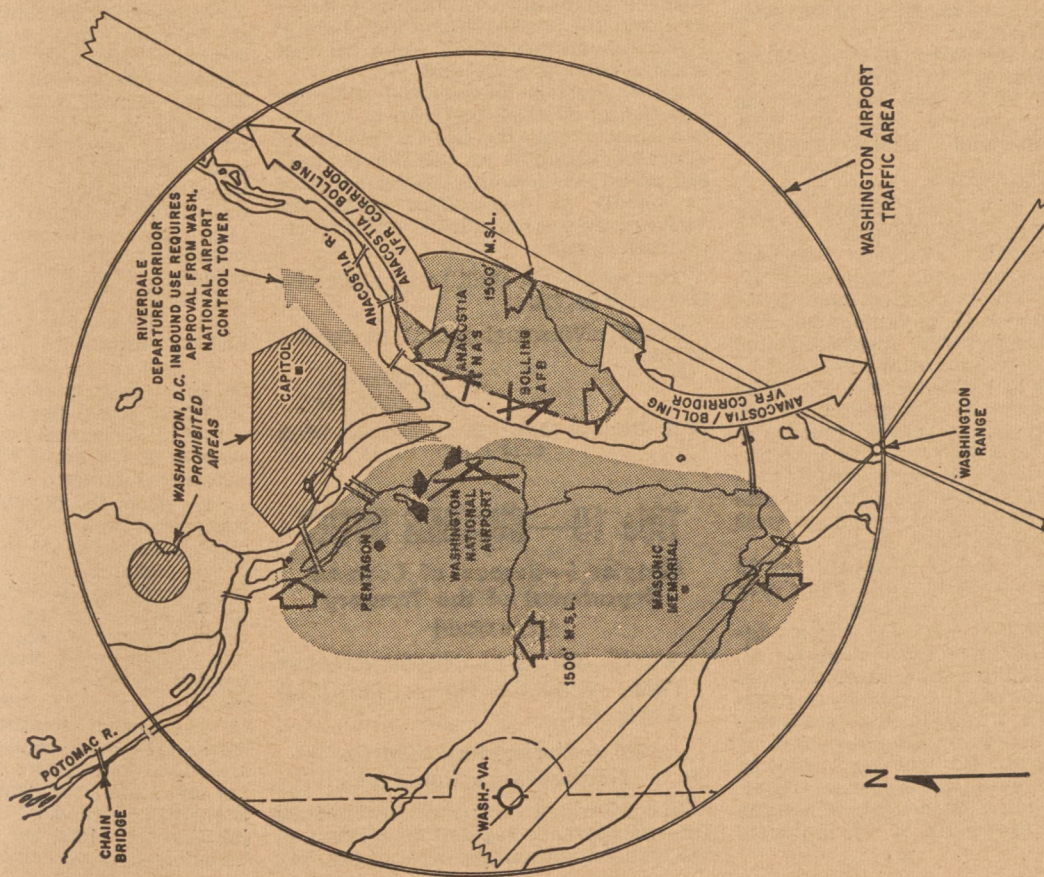
so as to conform to the flow of traffic as depicted on the diagrams included herein. Helicopters shall be operated in accordance with the helicopter rules stated herein.

(b) *Airport Traffic Area Entry*—(1) *Bolling Air Force Base—Anacostia Naval*

(3) *Traffic flow*. All aircraft, except helicopters, taking off from or landing at the Washington National Airport, Bolling Air Force Base, Anacostia Naval Air Station and any other airports within the airspace of the Washington National Airport Traffic Area, shall be operated



APPROXIMATE FLIGHT PATHS
TRAFFIC PATTERN - RUNWAYS 3, 33, & 36



APPROXIMATE FLIGHT PATHS
TRAFFIC PATTERN - RUNWAYS 15, 18, & 21

(2) *Washington National Airport.* Fixed-wing aircraft landing at Washington National Airport shall be flown so as to enter the airspace of the Washington National Airport Traffic Area west of the east bank of the Potomac River and, unless the VFR distance-from-cloud criteria require otherwise, at an altitude of at least 1,500 feet m.s.l.

(3) *Washington-Virginia Airport.* All aircraft landing at Washington-Virginia Airport shall be flown so as to enter the airspace of the Washington National Airport Traffic Area at an altitude not above 1,200 feet m.s.l. and west of an imaginary line extending north and south through the center of the Washington-Virginia Airport. After entry into the Washington National Airport Traffic Area, such aircraft shall not be flown above an altitude of 1,200 feet m.s.l. and beyond one-mile from the boundary of the Washington-Virginia Airport, when operating east of the imaginary north-south line.

(c) *Traffic pattern altitudes.* Unless the VFR distance-from-cloud criteria require otherwise, fixed-wing aircraft shall be operated within the traffic patterns of Washington National Airport, Bolling Air Force Base and Anacostia Naval Air Station at an altitude of at least 1,500 feet m.s.l. and such altitude maintained until maneuvering for landing requires descent.

(d) *Departing aircraft.* Fixed-wing aircraft taking off from Bolling Air Force Base, Anacostia Naval Air Station, Washington National Airport, and Washington-Virginia Airport shall be operated so as to conform to the following altitudes and flight paths while operating within the Washington National Airport Traffic Area:

(1) *Bolling Air Force Base-Anacostia Naval Air Station.* (i) Climb shall be made to at least 1,500 feet m.s.l. as rapidly as practicable, unless the VFR distance-from-cloud criteria require otherwise, and,

(ii) Aircraft shall be flown so as to remain east of the east banks of the Potomac and Anacostia Rivers.

(2) *Washington National Airport departing aircraft using Runways 3, 33, and 36.* (i) Climb shall be made to at least 1,500 feet m.s.l. as rapidly as practicable, unless the VFR distance-from-cloud criteria require otherwise, and,

(ii) Climb to 1,500 feet m.s.l. shall be made north over the Potomac River before proceeding on course, remaining west of the east bank of the Potomac River, except that, those departures proceeding via Riverdale Departure Corridor shall be flown so as to remain west of the Anacostia River, and,

(iii) Aircraft taking off on runway 33 shall be flown so as to avoid flight over the Pentagon when practicable.

(3) *Washington National Airport departing aircraft using Runways 15, 18, and 21.* (i) Climb shall be made to at least 1,500 feet m.s.l. as rapidly as practicable, unless the VFR distance-from-cloud criteria require otherwise, and,

(ii) Climb to 1,500 feet m.s.l. shall be made south over the Potomac River, before proceeding on course, remaining west of the east bank of the Potomac River.

NOTE: Northeastbound traffic taking off in a southerly direction may pass over the Washington National Airport, with approval of the Washington National Airport Traffic Control Tower. Such a procedure is encouraged in order to avoid the military traffic which may be operating to the east of the Potomac River.

(4) *Washington-Virginia Airport.* Aircraft taking off from Washington-Virginia Airport:

(i) Shall be flown so as to remain within a one-mile lateral distance of the airport boundary of the Washington-Virginia Airport until west of an imaginary north-south line extending through the center of that airport, and,

(ii) Shall be flown at an altitude not above 1,200 feet m.s.l. until clear of the Washington National Airport Traffic Area.

(e) *Helicopters.* Helicopters taking off from or landing at Bolling Air Force Base, Anacostia Naval Air Station, Washington National Airport or any airports located within the Washington National Airport Traffic Area shall be operated so as to conform to the following rules while operating within such airport traffic area, except that helicopters taking off from or landing at Washington-Virginia Airport shall be operated so as to conform to the rules contained in paragraphs (b) (3) and (d) (4) of this section:

(1) *Landing helicopters.* Unless the VFR distance-from-cloud criteria require otherwise, landing helicopters shall be flown so as to enter the Washington National Airport Traffic Area at or below 1,000 feet m.s.l. but not less than 800 feet m.s.l. After entry, such altitude shall be maintained as long as practicable and the approach to land shall be made in a manner which avoids the flow of fixed-wing aircraft, and,

(2) *Departing helicopters.* Helicopters taking off shall be flown in a manner which avoids the flow of fixed-wing aircraft. Climb to an altitude between 800 and 1,000 feet m.s.l. shall be made as rapidly as practicable, unless the VFR distance-from-cloud criteria require otherwise.

This regulation shall become effective November 29, 1960.

Issued in Washington, D.C., on October 24, 1960.

E. R. QUESADA,
Administrator.

[F.R. Doc. 60-10101; Filed, Oct. 27, 1960;
8:45 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 55249]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

Ethyl Alcohol Imported for Nonbeverage Purposes

In conformance to amendments of the Internal Revenue regulations relating to the transfer without payment of tax (tax

free transfer) of certain distilled spirits from customs custody to bonded premises of distilled spirits plants for nonbeverage use and the withdrawal of distilled spirits from customs custody for use of the United States, § 10.99 of the Customs Regulations is amended to read as follows:

§ 10.99 Importation of ethyl alcohol for nonbeverage purposes.⁹⁰

(a) If claim is made by an importer other than the United States or a governmental agency thereof for the classification of ethyl alcohol of 185 degrees or more of proof under the last clause of paragraph 4 of the Tariff Act of 1930,⁹¹ there shall be filed in connection with the entry a declaration of the importer that the alcohol is to be used for nonbeverage purposes only.

(1) Such alcohol shall be released by customs upon deposit of estimated duty, if any, and without payment of the internal revenue tax only when there has been received an application on Internal Revenue Form 2609 by the proprietor of the distilled spirits plant approved by the appropriate internal revenue officer covering the transfer under internal revenue bond of the alcohol to the bonded premises of the proprietor's plant for nonbeverage use.

(2) Prior to release of such alcohol from customs custody, Internal Revenue Form 236 shall be prepared by the customs officer in the manner and number of copies prescribed in 26 CFR 251.173. When shipments are in tank cars or trucks, the details of the gauge of each tank car or truck shall be reported separately. In the case of barrels, drums, or similar portable containers, the details of the gauge shall be shown on Internal Revenue Form 2630, in triplicate. The customs officer shall also note on Form 236 the rate of customs duty paid and the rate of customs duty which would have been applicable had such alcohol been imported for beverage purposes.⁹² Upon compliance with customs entry requirements and completion of the appropriate Internal Revenue forms, the customs officer shall release the alcohol for transfer to the distilled spirits plant. The customs officer shall distribute and retain copies of the Internal Revenue forms as prescribed in 26 CFR 251.173.

(3) Before a shipment in a tank car or tank truck is released, all openings affording access to the alcohol shall be sealed by a customs officer with customs seals in such manner as will prevent unauthorized removal of the alcohol.

(4) When the distilled spirits plant is equipped with suitable dock facilities, the alcohol may, subject to all requirements of the customs laws and regulations, be transferred by pipeline from the importing vessel or barge through weighing tanks or other suitable measuring tanks into locked empty storage tanks on the bonded premises of the distilled spirits plant, or directly into locked storage tanks on such premises provided such storage tanks are equipped with suitable measuring devices for correctly indicating the actual contents and the outlets thereof are locked. In all such cases of pipeline transfers, the alcohol shall be transferred under customs supervision,

gauged immediately by a customs officer, and thereupon released for deposit in the distilled spirits plant. The details of the gauge shall be reported for internal revenue on Form 236 and distribution of such form shall be made as prescribed in subparagraph (2) of this paragraph.

(b) If ethyl alcohol is to be withdrawn from customs custody by the United States or any governmental agency thereof for its own use for non-beverage purposes, before release under the entry without the deposit of estimated duties, if any, and internal revenue tax, or before release in accordance with the provisions of § 8.28(c) of this chapter, there shall be filed with the collector of customs an appropriate permit on Internal Revenue Form 1444 which may also cover future withdrawals at that port pursuant to appropriate entry in each case. The alcohol shall be gauged by a customs officer, who shall prepare a report of gauge on Internal Revenue Form 2629, in triplicate, and may then be released for shipment to the United States or governmental agency thereof named in the permit, Form 1444. The customs officer shall make the appropriate notation on Form 1444 as to the withdrawal, shall state on each copy of Form 2629 the permit number of the Form 1444 involved, shall retain the original of the Form 2629 with the permit on Form 1444, and shall forward one copy of Form 2629 to the governmental agency involved and one copy to the director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D.C.

(c) The foregoing provisions are not applicable with respect to withdrawal free of tax on the entry of such articles from the Virgin Islands. Provisions for the release free of tax of distilled spirits, denatured distilled spirits, and products containing denatured spirits produced and withdrawn in the Virgin Islands are found in Subpart O of Part 250, Internal Revenue Regulations (26 CFR Part 250, Subpart O).

(d) Upon the completion of the applicable procedure outlined above, the entry shall be liquidated with the assessment of duty at the appropriate rate, if any, and without the assessment of internal revenue tax.

(R.S. 161, as amended, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

Footnote 90 appended to § 10.99 is amended to read:

"Imported distilled spirits. Imported distilled spirits of 185 degrees or more of proof (or spirits of any proof imported for any purpose incident to the requirements of the national defense) may, under such regulations as the Secretary or his delegate shall prescribe, be withdrawn from customs custody, and transferred to the bonded premises of a distilled spirits plant, for nonbeverage use, without payment of the internal revenue tax imposed on imported distilled spirits by section 5001. Such spirits may be redistilled or denatured and may, without redistillation or denaturation, be withdrawn for any purpose authorized by this chapter, in the same manner as domestic distilled spirits.

(Sec. 5232, Internal Revenue Code of 1954; 26 U.S.C. 5232)

Withdrawal of distilled spirits from Customs custody free of tax for use of the United States. Distilled spirits may be withdrawn free of tax from customs custody by the United States or any governmental agency thereof for its own use for nonbeverage purposes, under such regulations as may be prescribed by the Secretary or his delegate. (Sec. 5313, Internal Revenue Code of 1954; 26 U.S.C. 5313)

(R.S. 161, as amended, 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

[SEAL] D. B. STREUBINGER,
Acting Commissioner of Customs.

Approved: October 21, 1960.

A. GILMORE FLUES,
Acting Secretary of the Treasury.

[F.R. Doc. 60-10129; Filed, Oct. 27, 1960; 8:47 a.m.]

Title 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES [T.D. 6499]

PART 48—MANUFACTURERS AND RETAILERS EXCISE TAXES

Bonding of Automobile Importers

On September 13, 1960, notice of proposed rule making with respect to regulations requiring bond of importers of automobiles, trucks, buses, etc., taxable under section 4061(a) of the Internal Revenue Code of 1954 was published in the FEDERAL REGISTER (25 F.R. 8782). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations as so published are hereby adopted, subject to the change set forth below:

The last sentence of paragraph (e) (2) (ii) of § 48.4061(a)-2 is revised by inserting "or the Commissioner of Customs" immediately following the words "from the district director".

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: October 24, 1960.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

The regulations requiring bond of importers of automobiles, trucks, buses, etc., taxable under section 4061(a) of the Internal Revenue Code of 1954 read as follows:

AUTOMOTIVE AND RELATED ITEMS MOTOR VEHICLES

- Sec.
48.4061(a) Statutory provisions; imposition of tax; automobiles.
48.4061(a)-1 [Reserved]
48.4061(a)-2 Bonding of importers.

AUTHORITY: §§ 48.4061 (a) and 48.4061 (a)-2 issued under sec. 623, Tariff Act of 1930 (46 Stat. 759; 19 U.S.C. 1623), and sec. 7805, I.R.C. 1954 (68A Stat. 917; 26 U.S.C. 7805).

AUTOMOTIVE AND RELATED ITEMS

MOTOR VEHICLES

§ 48.4061(a) Statutory provisions; imposition of tax; automobiles.

SEC. 4061. Imposition of tax—(a) Automobiles. There is hereby imposed upon the following articles (including in each case parts or accessories therefor sold on or in connection therewith or with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to the specified percent of the price for which so sold:

(1) Articles taxable at 10 percent, except that on and after July 1, 1972, the rate shall be 5 percent—

Automobile truck chassis.
Automobile truck bodies.
Automobile bus chassis.
Automobile bus bodies.

Truck and bus trailer and semitrailer chassis.

Truck and bus trailer and semitrailer bodies.

Tractors of the kind chiefly used for highway transportation in combination with a trailer or semitrailer.

A sale of an automobile truck, bus, truck or bus trailer or semitrailer shall, for the purposes of this paragraph, be considered to be a sale of the chassis and of the body.

(2) Articles taxable at 10 percent except that on and after July 1, 1961, the rate shall be 7 percent—

Automobile chassis and bodies other than those taxable under paragraph (1).

Chassis and bodies for trailers and semitrailers (other than house trailers) suitable for use in connection with passenger automobiles.

A sale of an automobile, trailer, or semitrailer shall, for the purposes of this paragraph, be considered to be a sale of the chassis and of the body.

[Sec. 4061(a) as amended and in effect Jan. 1, 1959, and as further amended by sec. 3(a)(1), Tax Rate Extension Act 1959 (73 Stat. 157) and sec. 202(a)(1), Public Debt and Tax Rate Extension Act 1960 (74 Stat. 290)]

§ 48.4061(a)-1 [Reserved]

§ 48.4061(a)-2 Bonding of importers.

(a) *Authority for requiring bond.* Section 623 of the Tariff Act of 1930, as amended (19 U.S.C. 1623), provides as follows:

Sec. 623. Bonds and other security. (a) In any case in which bond or other security is not specifically required by law, the Secretary of the Treasury may by regulation or specific instruction require, or authorize collectors of customs to require, such bonds or other security as he, or they, may deem necessary for the protection of the revenue or to assure compliance with any provision of law, regulation, or instruction which the Secretary of the Treasury or the Customs Service may be authorized to enforce.

(b) Whenever a bond is required or authorized by a law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce, the Secretary of the Treasury may—

(1) Except as otherwise specifically provided by law, prescribe the conditions and form of such bond, and fix the amount of penalty thereof, whether for the payment of liquidated damages or of a penal sum: *Provided*, That when a consolidated bond authorized by paragraph 4 of this subsection is taken, the Secretary of the Treasury

may fix the penalty of such bond without regard to any other provision of law, regulation, or instruction.

(2) Provide for the approval of the sureties on such bond, without regard to any general provision of law.

(3) Authorize the execution of a term bond the conditions of which shall extend to and cover similar cases of importations over such period of time, not to exceed one year, or such longer period as he may fix when in his opinion special circumstances existing in a particular instance require such longer period.

(4) Authorize, to the extent that he may deem necessary, the taking of a consolidated bond (single entry or term), in lieu of separate bonds to assure compliance with two or more provisions of law, regulations, or instructions which the Secretary of the Treasury or the Customs Service is authorized to enforce. A consolidated bond taken pursuant to the authority contained in this subsection shall have the same force and effect in respect of every provision of law, regulation, or instruction for the purposes for which it is required as though separate bonds had been taken to assure compliance with each such provision.

(c) The Secretary of the Treasury may authorize the cancellation of any bond provided for in this section, or of any charge that may have been made against such bond, in the event of a breach of any condition of the bond, upon the payment of such lesser amount or penalty or upon such other terms and conditions as he may deem sufficient.

(d) No condition in any bond taken to assure compliance with any law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce shall be held invalid on the ground that such condition is not specified in the law, regulation, or instruction authorizing or requiring the taking of such bond.

(e) The Secretary of the Treasury is authorized to permit the deposit of money or obligations of the United States, in such amount and upon such conditions as he may by regulation prescribe, in lieu of sureties on any bond required or authorized by a law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce.

(b) *Application for determination whether bond required*—(1) *Requirement of application*—(i) *In general*. Except as otherwise provided in subparagraph (2) of this paragraph, every importer of articles taxable under section 4061(a) shall make application for a determination whether the importer is required to give bond in accordance with the provisions of paragraph (c) of this section. Such application shall be submitted in writing to the district director for the district in which the importer will file returns of any tax under section 4061(a) for which he may incur liability.

(ii) *Form of application*. No form is prescribed for making the application required under subdivision (i) of this subparagraph, but such application shall include the following information:

(a) The name of the person making the application and the address of his principal place of business, and, if the principal place of business of such person is outside the United States, the address of his principal place of business, office, or agency in the United States.

(b) Information establishing that the person making the application is an

importer of articles taxable under section 4061(a).

(c) The kind and approximate number of automobiles, trucks, buses, etc., which the importer may be expected to import during an average calendar quarter and the approximate amount of tax under section 4061(a) for which the importer may be expected to incur liability in respect of such articles.

(d) Whether the importer has filed returns of tax under chapter 31 or chapter 32 within the 2-year period immediately preceding the date on which the application is filed, and, if so, the internal revenue district in which such returns were filed.

(e) Facts pertaining to the importer's assets and liabilities which will aid the district director in determining whether a bond shall be required.

(2) *Exceptions*. The provisions of subparagraph (1) of this paragraph shall have no application in any case where an article taxable under section 4061(a) is—

(i) Incidentally imported by an individual for his personal use.

(ii) Brought into the United States for export to a foreign country or possession of the United States.

(iii) Admitted to the United States free of duty as an instrument of international traffic.

(iv) Admitted to the United States free of duty as a temporary importation under bond.

(v) Returned to the United States after having been sold in the United States and exported.

(c) *Requirement of bond*—(1) *In general*. If the district director determines that a bond is necessary in order to insure payment of the tax under section 4061(a), and to assure compliance with all provisions of the Code and regulations thereunder, with respect to articles imported by any importer required to make application for a determination under paragraph (b) of this section, such bond shall be given by such importer. Such bond shall be submitted, in duplicate, to the district director for the district in which the importer will file returns of any tax under section 4061(a) for which he may incur liability.

(2) *Form and execution of bond*—(i) *In general*. The bond required under this paragraph shall be executed in accordance with the form, instructions, and regulations applicable thereto, and with satisfactory surety. (For provisions as to what will be considered "satisfactory surety", see subparagraph (3) of this paragraph.) Such bond shall be conditioned that the principal shall not engage in any attempt, by himself or by collusion with others, to defraud the United States of any tax under section 4061(a); that he shall render truly and completely all returns, statements, and other documents required of him by law or regulations in respect of such tax; that he shall timely pay all such tax for which he is liable; and, in the case of any such tax in respect of an article released from customs custody by reason of such bond, that he shall pay such tax, whether the liability therefor is incurred by him or by some other person as the importer

of the articles covered by the bond, unless such other person makes payment of such tax on or before the due date. The bond shall be in an amount which the district director believes to be sufficient to protect the interests of the United States with respect to all articles taxable under section 4061(a) which are released from customs custody by reason of such bond, but in no event shall the bond be in an amount less than the approximate amount of tax under section 4061(a) for which the principal may be expected to incur liability during an average calendar quarter. Such bond shall be signed by the individual, if the principal is an individual; the president, vice president, or other principal officer, if the principal is a corporation; a responsible and duly authorized member or officer having knowledge of its affairs, if the principal is a partnership or other unincorporated organization; or the fiduciary, if the principal is a trust or estate. Form 2932 is the form prescribed for use in giving such bond. Copies of such form may be obtained from any district director.

(ii) *Cancellation clause*. The bond required under this paragraph may be accepted with a cancellation clause incorporated therein. Such cancellation clause shall provide that:

(a) Any surety on the bond may at any time give notice to the principal and the district director that he desires to be relieved of liability under said bond after a date named, which shall be at least 60 days after the receipt of notice by the district director.

(b) If the notice is not withdrawn in writing prior to the date named in the notice, the rights of the principal as supported by said bond shall be terminated on such date (unless supported by another bond or bonds). The surety shall, however, remain liable with respect to any tax under section 4061(a) (plus penalties and interest) the liability for which is incurred in respect of articles released from customs custody by reason of the bond.

(c) Said notice may not be given by an agent of the surety, unless it is accompanied by power of attorney duly executed by the surety authorizing the agent to give such notice or by a verified statement that such power of attorney is on file with the Treasury Department.

(iii) *Changes in bond*. After filing of the bond required under this paragraph, no change may be made in the terms thereof except with the consent of the surety or sureties and subject to the approval of the district director. Any such change and the consent thereto of the surety or sureties shall be shown on Form 2933, copies of which may be obtained from any district director. Such form shall be executed and filed, in any case where a change is proposed in the terms of the bond, in the same manner as that prescribed with respect to the bond itself.

(3) *Satisfactory surety*—(i) *Approved surety company or bonds or notes of the United States*. For purposes of subparagraph (2) of this paragraph, a bond shall be considered executed with satisfactory surety if:

(a) It is executed by a surety company holding a certificate of authority from the Secretary as an acceptable surety on Federal bonds; or

(b) It is secured by bonds or notes of the United States as provided in 6 U.S.C. 15 (see 31 CFR Part 225).

(ii) *Other surety acceptable in discretion of district director.* For purposes of subparagraph (2) of this paragraph, a bond may, in the discretion of the district director, be considered executed with satisfactory surety if, in lieu of being executed or secured as provided in subdivision (i) of this subparagraph, it is—

(a) Executed by a corporate surety (other than a surety company), provided such corporate surety establishes that it is within its corporate powers to act as surety for another corporation or an individual;

(b) Executed by two or more individual sureties, provided such individual sureties meet the conditions contained in subdivision (iii) of this subparagraph;

(c) Secured by a mortgage on real or personal property;

(d) Secured by a certified, cashier's, or treasurer's check drawn on any bank or trust company incorporated under the laws of the United States or any State, Territory, or possession of the United States, or by a United States postal, bank, express, or telegraph money order;

(e) Secured by corporate bonds or stocks, or by bonds issued by a State or political subdivision thereof, of recognized stability; or

(f) Secured by any other acceptable collateral. Collateral shall be deposited with the district director or, in his discretion, with a responsible financial institution acting as escrow agent.

(iii) *Conditions to be met by individual sureties.* If a bond is executed by two or more individual sureties, the following conditions must be met by each such individual surety:

(a) He must reside within the State in which the principal place of business or legal residence of the primary obligor is located;

(b) He must have property subject to execution of a current market value, above all encumbrances, equal to at least the penalty of the bond;

(c) All real property which he offers as security must be located in the State in which the principal place of business or legal residence of the primary obligor is located;

(d) He must agree not to mortgage, or otherwise encumber, any property offered as security while the bond continues in effect without first securing the permission of the district director; and

(e) He must file with the bond, and annually thereafter so long as the bond continues in effect, an affidavit as to the adequacy of his security, executed on the appropriate form furnished by the district director.

Partners may not act as sureties upon bonds of their partnership. Stockhold-

ers of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their holdings of the stock of the corporation.

(iv) *Adequacy of surety.* No surety or security shall be accepted if it does not adequately protect the interest of the United States.

(4) *New or additional bond.* The district director may require a new or additional bond under this section in any case where he deems it necessary or desirable in order to protect the interests of the United States.

(d) *Termination of requirement—(1) Application for relief from requirement.* Any importer who has given bond as required under paragraph (c) of this section may make application for relief from such requirement at any time after the last day of the first month following the close of the calendar quarter in which the bond was given. Any such application shall be submitted to the district director to whom the bond was furnished and shall set forth such facts as will be of assistance to the district director in determining whether the relief shall be granted.

(2) *Relief from requirement.* In any case where the district director determines that the bond required under paragraph (c) of this section to be given by an importer is no longer necessary to insure payment of any tax under section 4061(a) for which liability may be incurred by such importer, such importer shall no longer be required to give such bond.

(e) *Evidence required for release of imported articles from customs custody—(1) In general.* Each article taxable under section 4061(a) which arrives in the United States from any foreign country or possession of the United States on or after the first day of the first calendar quarter beginning more than 60 days after the date of publication of this Treasury decision in the Federal Register, and which is imported by any person required under paragraph (b) of this section to make application for a determination whether bond shall be given, shall not, if subject to customs examination and release, be released from customs custody until the evidence prescribed in subparagraph (2) (i) or (ii) of this paragraph has been furnished by such person to the collector of customs.

(2) *Form of evidence.* The evidence required under subparagraph (1) of this paragraph shall be in the form of a statement, executed, signed, and dated by the district director. Such statement shall show the following:

(i) *Bond required.* If the importer is required to give bond under this section, the statement shall show—

(a) The total number of articles in respect of which the statement is given.

(b) The model number of each such article.

(c) The name and address of the importer of such articles.

(d) If the articles are to be released from customs custody to a person other

than the importer, the name and address of such other person.

(e) That the importer has given a bond which the district director finds sufficient to protect the interests of the United States with respect to any tax under section 4061(a) for which liability may be incurred in respect of such articles.

A statement under this subdivision shall be furnished to the importer by the district director, upon request of the importer, in every case where such importer furnishes the district director with information which establishes to the satisfaction of the district director that the importer has given bond in an amount sufficient to protect the interests of the United States with respect to any tax under section 4061(a) which may become due in respect of the articles to which the request relates, and with such other information as is required under this subdivision to be shown in the statement. Such request, together with such information, shall be submitted by the importer immediately upon receipt by him of notice that articles taxable under section 4061(a) have been exported to his order. A separate request shall be made in respect of each shipment. Each statement given under this subdivision shall be executed in duplicate. The original of such statement shall be furnished by the district director to the importer and the copy shall be retained by the district director.

(ii) *No bond required.* If the importer is not required to give bond under this section, the statement shall show—

(a) The name and address of the importer.

(b) That bond under this section is not required of such importer.

A statement under this subdivision shall be furnished to the importer by the district director on the date on which the district director determines that the importer is not required to give a bond under this section. Such statement shall be executed in triplicate. The original of such statement and one signed copy shall be furnished by the district director to the importer, and one copy shall be retained by the district director. Additional signed copies of such statement will be furnished by the district director to the importer upon request of the importer. However, once such statement, or a signed copy thereof, has been furnished by the importer to a collector of customs, the requirements imposed by subparagraph (1) of this paragraph are deemed to be satisfied in respect of all articles taxable under section 4061(a) which thereafter arrive in the United States for release to or for the importer in a port under the jurisdiction of such collector of customs, until such time, if any, as such collector of customs receives written notification from the district director or the Commissioner of Customs that such statement has been withdrawn.

[F.R. Doc. 60-10130; Filed, Oct. 27, 1960; 8:47 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2208]

[63288]

ARIZONA

Opening Lands Subject to Section 24 of the Federal Power Act (Power Site Classification No. 55)

1. In DA-111-Arizona, California, Nevada, the Federal Power Commission determined that the value of the following-described lands in Arizona among others would not be injured or destroyed for purposes of power development by location, entry, or selection under the public land laws subject to the provisions of section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1075; 16 U.S.C. 818), as amended:

GILA AND SALT RIVER MERIDIAN

- T. 16 N., R. 21 W.,
Sec. 10, NW $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$.
T. 17 N., R. 21 W.,
Sec. 22, SW $\frac{1}{4}$ SW $\frac{1}{4}$.
T. 19 N., R. 22 W.,
Sec. 34, lots 1 and 2

The areas described aggregate 208.71 acres.

2. The lands in section 10 are included in an application (Arizona 016724) for withdrawal for the Lake Havasu Wildlife Refuge. In accordance with the regulations in 43 CFR 295.11, any applications for these lands will be suspended until action on the withdrawal application has been taken.

3. Until 10:00 a.m. on April 25, 1961, the State of Arizona shall have a preferred right of application to select the lands in accordance with and subject to the limitations and requirements of subsection (c) of section 2 of the Act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852). During this period the State may also apply under any statute or regulation applicable thereto, for the reservation to the State, or to any of its political subdivisions, of any of the lands required as a right-of-way for a public highway or as a source of materials for the construction and maintenance of such highways, pursuant to the provisions of section 24 of the Federal Power Act, *supra*.

4. Beginning at 10:00 a.m. on April 25, 1961, the lands shall be open to application, petition, location, and selection by the public generally, subject to valid existing rights, to equitable claims, and the requirements of applicable law, including the provisions of section 24 of the Federal Power Act.

5. The lands have been open to applications and offers under the mineral leasing laws, and to location under the United States mining laws pursuant to the Act of August 11, 1955 (69 Stat. 682; 30 U.S.C. 621).

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Phoenix, Arizona.

GEORGE W. ABBOTT,
Assistant Secretary of the Interior.

OCTOBER 24, 1960.

[F.R. Doc. 60-10117; Filed; Oct. 27, 1960;
8:46 a.m.]

Title 47—TELECOMMUNICATION

Chapter 1—Federal Communications Commission

[FCC 60-1263]

PART 4—EXPERIMENTAL, AUXILIARY, AND SPECIAL BROADCAST SERVICES

Special Requirements for Pre-Existing VHF Repeaters

In the matter of amendment of § 4.790 (b) of the Commission's rules to extend until December 30, 1960, the time for filing of applications for temporary authority to operate a VHF Television Broadcast Repeater Station.

At a session of the Commission at its offices in Washington, D.C., on the 20th day of October 1960;

The Commission has under consideration the provisions of § 4.790(b) of its rules, under which operators of VHF repeater stations constructed on or before July 7, 1960, must file by October 31, 1960, applications for temporary authority to operate such stations.

It appears, that, because of problems in connection with obtaining authorization to rebroadcast programs, a number of VHF repeater operators will not be able to file their applications by the date specified, and that therefore the public interest would be served by an extension of time within which such applications are to be filed.

It further appears, that, because of the short time remaining before October 31, 1960, notice of proposed rule making and rule making procedure are impracticable, and that the public interest would be served by making an extension of time in this matter effective immediately.

In view of the foregoing, and under authority contained in sections 4(i), 303(f) and 303(r) of the Communications Act of 1934, as amended: *It is ordered*, That effective October 20, 1960, § 4.790(b) of our rules is amended to read as follows:

§ 4.790 Special requirements for pre-existing VHF repeaters.

* * * * *

(b) On or before December 30, 1960, the operators of all devices covered in paragraph (a) of this section shall file with the Commission at its Washington offices an application for temporary authorization to continue operation. Such application shall be filed on FCC Form 347-A in accordance with instructions accompanying that form.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Released: October 25, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL]

BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10143; Filed, Oct. 27, 1960;
8:49 a.m.]

[FCC 60-1264; Docket No. 13273]

PART 10—PUBLIC SAFETY RADIO SERVICES

Miscellaneous Amendments

In the matter of amendment of Part 10 of the Commission's rules, so as to establish a medical emergency radio service; provision of additional assignable frequencies for the use of licensees in the Police, Fire, and Highway Maintenance Radio Services; revision of the classes of persons who are eligible for licensing in the Special Emergency Radio Service and the deletion of certain frequencies assignable to licensees in the Special Emergency Radio Service.

1. The First Report and Order in the above-entitled matter (25 F.R. 7156, July 28, 1960) disposed of that portion of the proceeding dealing with frequencies to be made available for the Police and Fire Radio Services. On page 3 of the First Report and Order, the Commission set forth its reasons for acting on part of the docket while postponing action on the remainder until a later date. The Commission has considered in further detail all the comments filed in the Notice of Proposed Rule Making and intends in this Report and Order to dispose of other issues raised therein.

PROPOSED MEDICAL EMERGENCY RADIO SERVICE

2. The notice of proposed rule making proposed to establish a Medical Emergency Radio Service utilizing 13 frequencies in the 152-162 Mc band and 4 frequencies in the 42-50 Mc band. It was the Commission's expectation that this service would be utilized jointly and cooperatively by physicians, hospitals, and ambulances. Under these conditions, it was felt that a Medical Emergency Radio Service would be an appropriate medium for accommodating medical needs in an efficient manner, employing a minimal number of frequencies. However, the comments submitted by the various groups indicate that each contemplates a usage which is not sufficiently compatible to make a unified service feasible. The substance of the filing by the American Medical Association is that the scope of radio communications available to physicians under the present § 10.453 should be expanded to include physicians practicing in urban as well as rural areas. In addition to normal office-to-car usage relied on by most rural physicians now, radio messages to and from doctors would be via "a central office of a medical bureau or a medical society furnishing service."

The main thrust of the filing by the American Hospital Association, however, is that the hospital should be the hub of radio communications. Thus, messages would be from hospitals to ambulances, various mobiles and to other hospitals. In fact, it does not appear that either group is especially desirous of being a part of a unified Medical Emergency Radio Service. The American Hospital Association commented in this regard, "It is respectfully suggested that it would be most appropriate to accommodate the needs of hospitals under the existing, or the revised, Special Emergency Radio Service of Part 10 of the rules. Alternatively, however, the needs of hospitals could be accommodated under an entirely new part of the rules, although it is believed that accommodation under the Special Emergency Radio Service would be more consistent with, and could more easily be accomplished under, the existing rules."

3. Thus, except for a small number of comments from individual physicians advocating a unified medical service, the bulk of the comments appear to be opposed to its establishment. It is, therefore, the opinion of the Commission that that part of the Notice of Proposed Rule Making which proposed creation of the Medical Emergency Radio Service should not be adopted.

4. It does not follow from the above determination that measures should not be taken to satisfy necessary radio needs in the medical field. As the American Hospital Association recommended, supra, such needs might well be accommodated in the Special Emergency Radio Service. The majority of the comments from all Public Safety users and other interested parties recognized that the medical profession has a valid need for radio communications and directed their comments to the issues of: (a) Are these needs of sufficient import to warrant the assignment of frequencies required by existing Public Safety users, and (b) If so, how should they be accommodated in terms of number of frequencies? The position of this majority may be exemplified by the comment submitted by the Associated Police Communications Officers, Inc. (APCO). "APCO concurs in the assignment of frequencies for the purpose of meeting emergency medical needs, to the extent that such needs are shown not to be met by existing frequency allocations and services." This, in effect, highlights the basic problem referred to in the First Report and Order: How to accommodate an excess of potential users on an inadequate supply of available frequencies? To follow the position of APCO literally would virtually preclude any new class of eligible, however worthy, from Part 10 of the rules. In refuting this claim, the American Medical Association stated: "Some of the comments filed in this proceeding seem to be based upon the assumption that existing services have certain vested proprietary rights in the radio frequency spectrum to the exclusion of new radio services. This is an incorrect concept. Radio frequencies are owned by the public, and the Commission has the duty to

meet the needs of new services as well as old."

5. The major argument of those who unequivocally oppose any expansion of those eligible for licensing under Part 10 is that this part should be limited to tax-supported entities. As the City of Milwaukee, Civil Defense Administration pointed out, "Part 10 as presently constituted is largely concerned with the use of radio frequencies by tax-supported governmental entities. We believe that Part 10 should be entirely restricted to this use. With the increasing use of radio communication to conduct governmental operations in the public safety field of activity, the need for additional, usable channels is apparent today." The State of Oregon, Department of Forestry commented: "The frequency requirements of the proposed Medical Emergency Radio Service or other private or semi-private activities can best be resolved within the framework of similar Business or Industrial Service classifications."

6. It is true that many of those now eligible in the Special Emergency Radio Service are neither tax-supported nor non-profit making; however, they all have as the basic reason for their usage of radio the responsibility for the safety of life and/or property. In this regard, they are identical with the agencies of government which also serve in this safety area. Therefore, it is the Commission's determination that those engaged in medical activities connected with the safety of life are a proper and integral part of the Public Safety Services and should be licensable under Part 10 of the Commission's Rules. Further, it is the Commission's determination that hospitals and urban physicians as well as ambulances and rural doctors can be accommodated in the Special Emergency Radio Service.

7. Section 10(g) of the notice of proposed rule making proposed to make available 5 frequencies in the 152-162 Mc band for assignment to licensees in the Special Emergency Radio Service. Since it is now proposed to expand the list of those eligible in this service, it is obvious that additional frequencies will be required. The American Medical Association requested 10 frequencies in this band for use by doctors, while the American Hospital Association sought three frequencies in this portion of the spectrum for hospitals and ambulances. The comments from other Public Safety users advocated a sharp reduction in these numbers. The California State Communications Advisory Board recommended that this total number be reduced to nine while APCO suggested that it be reduced to six 150 Mc frequencies. It would appear that adequate radio communications could be made available to physicians by merely amending Section 10.453 to include urban as well as rural physicians. There is nothing on the record to indicate that those physicians now eligible to use radio are suffering from any shortage of frequencies. Rather, the main objection expressed by individual doctors and the American Medical Association is that the eligibility requirements are too stringent, and that the

present exclusion of doctors in urban areas should be removed. The American Medical Association advocated the physicians practicing in towns with a population of 50,000 as opposed to the present 2,500 should be included under § 10.453. The Commission, however, sees no need at this point to base eligibility on an arbitrary population figure; instead, it is of the opinion that all physicians should be made eligible. Fortunately, the main usage of Special Emergency frequencies at the present time is confined to rural areas. Therefore, increased urban utilization of these frequencies plus the additional eight frequencies which will be made available should enable doctors in even relatively large cities to obtain effective radio communications for messages relating to the efficient rendition of their medical practices. It is true that in some areas co-operative usage and other similar type arrangements will be required, but this evidently conforms to the expressed plans of the medical association as set forth in its comments. In summary, it is the Commission's conclusion that extending eligibility to include urban as well as rural physicians employing all presently available Special Emergency frequencies plus eight new ones will result in the establishment of radio communication systems adequate to meet the needs of that segment of the medical profession.

8. With respect to hospitals and ambulances, it is the Commission's opinion that a limited number of exclusive frequencies should be authorized. These, of course, would be in addition to those available to all classes of Special Emergency radio licensees. The American Hospital Association sought two frequencies below 50 Mc and a minimum of 3 frequencies above 152 Mc. In light of the Commission's determination with respect to the low band frequencies (see *infra*), it appears reasonable that 5 frequencies in the 152-162 Mc band be made available to hospitals and ambulances on an exclusive basis. Of course, hospitals could elect to place units in the cars of staff physicians and also (under an appropriate agreement pursuant to § 10.7) in the vehicles of other doctors.

As to the 4 frequencies in the 40 Mc band, two apiece being sought by the Medical and Hospital Associations, it does not appear that they are either necessary or warranted. Commenting on this point, the California Public Safety Radio Association stated: "This organization believes that the propagation characteristics in the 152-162 Mc band are adequate to permit two-way radio communication throughout the probable coverage areas in this service. This organization therefore suggests the deletion of these proposed low-band frequencies for the Medical Emergency Service." Similarly, APCO while concurring in the assignment of frequencies for medical needs and while, as was mentioned previously, favoring the assignment of six 150 Mc frequencies for this purpose did oppose the assignment of any frequencies in the 42-50 Mc band. It appears doubtful that there will be need for the trans-

mission of Medical Emergency messages over an area sufficiently wide to justify the assignment of any additional low-band frequencies. If there be such a need, it should be pointed out that there are frequencies presently available in the 42-52 Mc band for Special Emergency licensees. Therefore, the Commission finds that new frequencies in the 40 Mc band should not be made available to the Special Emergency Radio Service.

9. The Commission received numerous comments from public health departments, at the state and city level, requesting that the scope of eligibility for the proposed Medical Emergency Radio Service be broadened to include "persons operating public health services." Similarly, they requested that the permissible communications which would be applicable to this service be expanded to cover "urgent messages essential to the efficient rendition of a public health service." Since the Commission has already found, *supra*, that the establishment of a Medical Emergency Radio Service as proposed is not deemed to be necessary, the requests presented by these public health groups might appear to be moot. However, since it might be contended that public health agencies should be included along with hospitals and urban physicians in the Special Emergency Radio Service, the Commission is of the opinion that it is appropriate to discuss this matter in this proceeding.

10. Using the comment filed by the State of Georgia, Department of Public Health as representing the opinions of the other health departments, it appears that much of the proposed usage of radio by such agencies would be confined to civil defense type emergencies. In opposing the inclusion of this group in the proposed Medical Emergency Radio Service, the American Hospital Association contended, "No evidence has been presented showing the need for including public health agencies in the Medical Emergency Radio Service. Moreover, it appears that the radio needs of the public health officials are fundamentally different from the radio needs of hospitals and ambulances. Hospitals and ambulances have demonstrated needs for radio frequencies regularly, on a day-to-day basis, as well as under disaster conditions. Hospitals and ambulances regularly need to intercommunicate. Public health officials, on the other hand, appear from their comments to need radio frequencies only in the relatively infrequent civil defense type of disaster situation. Certainly, public health officials have shown no need to communicate with ambulances and hospitals on a regular day-to-day basis; indeed, their comments, emphasizing the civil defense situation, strongly indicate that public health radio frequencies would be for stand-by needs." The Commission is of the opinion that these reasons are also germane as a bar to including these agencies under the Special Emergency Radio Service except insofar as they may qualify under the disaster relief organization category. See § 10.452 of the Commission's rules.

11. However, the Commission would like to emphasize that these agencies are presently able to utilize the Local Government Radio Service for their radio communication needs, including those which pertain to civil defense-type emergencies. Once authorized in this service, such licensees are, as the American Hospital Association pointed out, permitted to "Communicate with hospital and ambulance licensees—as well as with licensees in the Fire, Police and Special Emergency Radio Services, including disaster relief organization licensees, and other licensees in Local Government—under present § 10.9 of the rules." The Commission wishes to direct attention to its notice of proposed rule making in Docket No. 13754 wherein it is proposed to make available additional frequencies in the 150.8-152 Mc band to the Local Government Radio Service. Adoption of this proposal should alleviate the present congestion on existing Local Government channels and should enable public health agencies through their parent entities to establish desired radio systems. Also, see paragraph 18 (*infra*). Therefore, since the Commission regards the Local Government Radio Service as the appropriate place for radio communications by public health agencies, it does not propose to include this group along with hospitals, ambulances, and physicians in the Special Emergency Radio Service.

HIGHWAY MAINTENANCE RADIO SERVICE

12. The Commission proposed to make available 10 frequencies in the 152-162 Mc band for the Highway Maintenance Radio Service. Some of those filing comments queried whether additional frequencies are needed for this service. In discussing this point, California Associated Police Communications Officers, Inc. stated: "The Highway Maintenance Radio Service already has assigned 30 frequencies in the 150-162 Mc band which is only 6 less than Police. In addition, they have the availability of 38 shared 450 Mc frequencies, 6 shared 30 Mc frequencies and 24 exclusive 40 Mc frequencies for state licensees. Here again in this radio service the current use of radio by the Highway Maintenance licensees as compared to Police and Fire licensees, does not justify in our opinion, allocation of any additional frequencies at this time, since to our knowledge there is no place yet in this country where adequate 150 Mc frequencies can be assigned for operation on a relatively interference-free basis." The majority of the comments, however, from both Highway Maintenance users as well as states and municipalities supported the contention that this service does need additional frequencies.

13. The comments favoring additional frequencies for this service advocated additional assignments in the 40 Mc band rather than the 152 Mc band as proposed by the Commission. It was the Commission's belief that frequencies in the higher band were preferable since in the majority of these, skip interference would be minimized, and these frequencies would be sufficient to cover most areas of operation. However, as APCO suggested, "APCO proposes, in accord

with a resolution passed at the 1959 National Conference of APCO, the assignment of six channels in the 42-50 Mc region to the Highway Maintenance Radio Service in place of additional frequencies in the 151-162 Mc band. * * * The Highway Maintenance Service does not demand quite the same degree of speed as do police, fire and ambulance services. Moreover, as the name implies, this service is used in connection with maintenance of roads, often covering a considerable area such as a county. Frequencies below 50 Mc could thus be used to advantage for this service. Finally, there are a number of counties in which Highway Maintenance units have operated on 39 and 45 Mc police channels on a secondary basis. Under Docket No. 11990, no extension was granted until November 1, 1963, for this type of operation and therefore, frequencies in this band are needed immediately to provide channels for this service." The State of Oregon, Highway Department, State of Wisconsin, Department of Public Works, Texas Highway Department and several other states concurred in this need for low-band frequencies. Support for this type of assignment was not restricted to states; several counties also filed comments recording themselves as in favor of having frequencies in the 45 Mc range made available to the Highway Maintenance Radio Service. The Oregon Association of County Engineers and the County Engineers Association of California both pointed out that present Highway Maintenance licensees could convert from their existing 30 Mc operation to the 40 Mc band with less financial expenditure than would be involved in moving to the 150 Mc band. Since the Commission has previously determined that medical needs do not require that 40 Mc frequencies be made available for that purpose, there are five frequencies in this range which may be made available for use by the Highway Maintenance Radio Service. The Commission is persuaded that making these frequencies available to the Highway Maintenance Radio Service would be in the public interest.

14. In addition to the determination to make five 40 Mc frequencies available for this service, the Commission finds that there is still a need for some frequencies above 150 Mc for this service. The Commission's Notice of Proposed Rule Making in Docket No. 13754 would make frequencies in the 150.8-152 Mc band available to the Local Government Radio Service, some of which would be interspersed between existing Highway Maintenance frequencies. Thus, while it appears appropriate to provide frequencies in this 150-162 Mc band for use by Highway Maintenance licensees, there is some question as to the most efficient place in the spectrum for these frequencies. The Commission regards its initial proposal to make a total of 10 frequencies available to this service as fair and reasonable, and since it has determined as a result of the comments filed that 5 of these frequencies should be located in the 40 Mc band, it concludes that 5 frequencies in the 150-162 Mc band should go to the Highway Maintenance Radio

Service. To make these frequencies available in that portion of the 150.8-152 Mc band now occupied by Highway Maintenance licensees would further the Commission's policy of making block assignments wherever practicable. While this approach would necessitate a further notice of proposed rule making in Docket No. 13754 and would thereby delay final action in that Docket, the advantages which would ensue from making available "highway maintenance splits" to the Highway Maintenance Radio Service appear to outweigh the drawback of delay. Hence, the Commission will shortly issue such a further notice of proposed rule making in Docket No. 13754 and in this manner it is expected that those whose responsibility is limited in area will be as satisfactorily accommodated as those whose operations cover a wide area are being treated by the availability of the additional 40 Mc frequencies.

15. It is the Commission's determination that these 40 Mc frequencies should be made available for all Highway Maintenance radio users. Many of the States recommended that some or all of the proposed frequencies be reserved for State operations only, while the general consensus of the counties was that State highway departments should be excluded from any new frequencies. However, needs vary throughout the country; in some sections, State highway departments are short of frequencies while in others, it is the local Highway Maintenance users who are faced with a scarcity of frequencies. Thus, by making these frequencies available without restriction as to who may utilize them, the Commission will enable potential users in any given area to assess their needs and seek authorizations accordingly.

OTHER PROPOSALS

16. In the Commission's First Report and Order in this Docket wherein 25 additional frequencies were made available to the Police Radio Service, the Commission took note that APCO had requested 40 channels. It was stated that the action taken there "should not be construed to mean that the Commission will make available still further frequencies to this service in a subsequent Report and Order. Of course, the converse is also true * * *." Reexamination of all comments filed in this proceeding coupled with an appraisal of existing and future police needs on the available frequencies leads to the conclusion that a limited number of additional frequencies should be provided. Particularly with respect to future requirements, the amount of frequencies available for State police systems only may be insufficient although similar arguments may be made for all police radio users. To make available 4 additional frequencies for State police licensees only and one further frequency to other police licensees would result in a total of 30 additional frequencies for the Police Radio Service, 10 of which will be for State licensees. Such a proportion would seem to reflect as accurately as possible the arguments advanced by those commenting on this matter.

17. It should be emphasized that all of the frequencies made available herein are split channels, i.e., they are located either 15 kc or 30 kc from existing primary frequencies in the 152-162 Mc band, and 20 kc from the primary frequencies in the 40 Mc band. As such, they are subject to the frequency coordination requirements which apply to all previously made available split channels. The Commission expects that in the near future, a less burdensome method of frequency coordination may be established, but until alternative means are adopted or until November 1, 1963 at which time all frequencies except the 15 kc splits will be made available on a regular basis, the existing stringent frequency coordination requirements will be in effect.

18. By the actions taken herein as well as in the First Report and Order in this Docket all 6 of the 40 Mc frequencies and 59 of the 69 152-162 Mc frequencies set forth in the Notice of Proposed Rule Making have been made available to the various Public Safety users. As stated previously, it was the Commission's original intention to accommodate the needs of the Local Government Radio Service by its Notice of Proposed Rule Making in Docket 13754. It would have made 16 frequencies available to this service. However, as stated in paragraph 14, supra, the Commission will issue a further Notice of Proposed Rule Making in that Docket which would make certain of these frequencies available to the Highway Maintenance Radio Service at the expense of the Local Government Radio Service. Therefore, the Commission is of the opinion that the remaining 10 frequencies in the 152-162 Mc band under consideration here should be made available to the Local Government Radio Service. Since such an action was not set forth in the original Notice of Proposed Rule Making, interested parties have not been afforded the opportunity to comment on the soundness of this proposal. Hence, it is deemed appropriate to issue a further Notice of Proposed Rule Making in this Docket (No. 13273) inviting those interested to submit comments in favor of or in opposition to the proposal to make 10 frequencies in this band available to the Local Government Radio Service. The net effect of these further Notices is twofold: (a) To accommodate Highway Maintenance radio needs in the 150.8-152 Mc band rather than in the 152-162 Mc band and, (b) conversely, to provide needed frequencies to the Local Government Radio Service in the 152-162 Mc band. Under these proposals along with the Commission's actions in this Docket, the Highway Maintenance users will receive 10 frequencies (5 in the 40 Mc band and 5 in the 150.8-152 Mc band). The Local Government Radio Service will receive 21 frequencies: 11 in the 150.8-152 Mc band and 10 in the 152-162 Mc band.

19. Paragraphs 10(h) of the Notice of Proposed Rule Making proposed changes in the classes of persons eligible for licensing in the Special Emergency Radio Service on the basis that these groups would be eligible for licensing in the

proposed Medical Emergency Radio Service. Paragraph 10(i) provided that existing licensees in the Special Emergency Radio Service, who would have become eligible for licensing in the proposed Medical Emergency Radio Service, would be permitted to continue operations until November 1, 1963. In light of the Commission's determination with respect to the Medical Emergency Radio Service and the other relevant changes regarding the Special Emergency Radio Service contained herein, there is no need to effectuate the proposals contained in these paragraphs.

20. Only a few comments were received with respect to the Commission's proposal to delete 38 assignable frequencies in the 450-460 Mc band, which are presently available for assignment to licensees in the Special Emergency Radio Service, and these comments favored the proposal. It should be noted that the Commission has provided that existing licensees in this band may continue to operate as authorized without cut-off date. Accordingly, since the Commission has in this proceeding made additional frequencies available in the 152-162 Mc band, this portion of the Notice of Proposed Rule Making is adopted.

21. In the Notice of Proposed Rule Making, the Commission proposed a corollary to the aforementioned deletion of the frequencies presently available in the 450-460 Mc band to special Emergency Radio licensees, wherein the geographic area in which frequency coordination must be demonstrated pursuant to § 10.8 of the Commission's Rules was to be within a radius of only 25 miles of the proposed station location rather than the present 75 mile requirement. The Notice explained that these proposals would permit more extensive use of frequencies in this band by other Public Safety licensees thus relieving congestion but still permitting sufficiently interference-free communications. However, those who commented on this point opposed this change on the grounds that a 75 mile "area of protection" is essential in the Public Safety field where a higher degree of non-interference is needed than in some other services. The question then becomes whether it is preferable to provide for increased utilization of these frequencies in the 450-460 Mc band by more Police, Fire, Highway Maintenance, Forestry Conservation and Local Government licensees or to provide fewer licensees a greater degree of protection. The Commission has concluded that retention of the existing 75 mile frequency coordination area will conform to the procedures now applicable to split-channel frequencies in the 42-50 Mc band and the 150-162 Mc band. This determination is made without prejudice to any petition which might later be filed by an interested party desiring to relax these standards.

DISPOSITION OF OTHER PETITIONS

22. The action taken by the Commission in this as well as the First Report and Order in this Docket serves to dispose of the following petitions by (a) rendering them moot or, (b) denying

them as being inconsistent with the changes enacted herein:

1. Petition by California Public Safety Radio Association, Inc. to make available additional frequencies for the Police and Fire Radio Services;

2. Petition by Associated Public Communications Officers, Inc. to make available certain unassigned split-channel frequencies in the 45-46 Mc and 153-155 Mc bands;

3. Petition by International Municipal Signal Association and International Association of Fire Chiefs to make available frequencies in the 152-162 Mc band to the Fire Radio Service;

4. Petition by County of Santa Clara, California to make available unassigned frequencies in the 45 Mc band to the Highway Maintenance Radio Service;

5. Petition by City of Downey, California to make available split channels in the 152-162 Mc band to the Fire and Police Radio Services;

6. Petition by State of California, Department of Finance, requesting that split channels be made available to the Police, Fire and Highway Maintenance Radio Services.

Authority for the amendments set forth in the attached Appendix is contained in sections 4(i) and 303 of the Communications Act of 1934, as amended.

Therefore, it is ordered, That effective December 1, 1960, Part 10 be amended as set forth below.

It is further ordered, That the petitions listed in paragraph 22 are granted to the extent indicated by the Commission action taken herein and denied in all other respects.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Adopted: October 20, 1960.

Released: October 25, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

Part 10 of the Commission's rules is amended as follows:

§ 10.255 [Amendment]

1. Section 10.255 is amended as follows:

The frequency table in paragraph (g) is amended by deleting that portion beginning with the frequency 155.370 Mc and ending with the frequency 155.520 Mc and substituting therefor the following:

Frequency or band	Class of station(s)	Limitations
155.370	Base and mobile	
155.415	do	23
155.430	do	
155.445	do	8, 23
155.460	do	8, 20
155.475	do	8, 23
155.490	do	
155.505	do	8, 23
155.520	do	20

§ 10.405 [Amendment]

2. Section 10.405 is amended as follows:

The frequency table in paragraph (e) is amended by deleting that portion beginning with the frequency 37.98 and ending with the frequency 46.86 Mc and substituting therefor the following:

Frequency or band	Class of station(s)	Limitations
37.98	Base and mobile	6
45.68	do	14
45.72	do	14
45.76	do	14
45.80	do	14
45.84	do	14
46.86	do	7, 8, 12

§ 10.450 [Redesignation]

3. Section 10.451 is redesignated as § 10.450.

4. A new § 10.451 is adopted to read as follows:

§ 10.451 Hospitals.

(a) *Eligibility.* Institutions or establishments offering services, facilities, and beds for use beyond 24 hours in rendering medical treatment.

(b) *Eligibility showing.* The initial application from a hospital shall be accompanied by a statement describing the radio communication facilities desired, the area to be served, the proposed method of operation and the number and classes of stations required. The statement shall also demonstrate that the applicant meets the eligibility requirements of paragraph (a) of this section.

(c) *Class and number of stations available.* Each eligible hospital will normally be authorized only one base station and a number of mobile units, excluding mobile units of the hand or pack carried type, not in excess of vehicles actually engaged in rendering an efficient hospital service.

(d) *Permissible communications.* Except for test transmissions as permitted by § 10.151(e), stations licensed to hospitals may be used only for the transmission of messages necessary for the rendition of an efficient hospital service.

5. Paragraphs (a) and (b) of § 10.453 are amended to read as follows:

§ 10.453 Physicians and veterinarians.

(a) *Eligibility.* Physicians and veterinarians are eligible in this service. As used in this part, the term "physician" or "veterinarian" shall be construed to mean individual physicians or veterinarians or schools of medicine, including schools of veterinary medicine.

(b) *Eligibility showing.* The initial application from a physician or veterinarian shall be accompanied by a statement in sufficient detail to permit a ready determination of the applicant's eligibility. Any subsequent application may refer to information previously filed if there has been no change in the status

of the applicant's eligibility. In the event changes have occurred which affect the original eligibility statements, a new showing must accompany the application.

§ 10.462 [Amendment]

6. Section 10.462 is amended, as follows:

a. The frequency table in paragraph (e) is amended by deleting that portion beginning with the frequency 75.42 to 75.98 Mc and ending with the frequency 952-960 Mc and substituting therefor the following:

Frequency or band	Class of station(s)	Limitations
75.42 to 75.98	Operational fixed	3
155.160	Base and mobile	15
155.175	do	16
155.205	do	16
155.220	do	15
155.235	do	16
155.265	do	16
155.280	do	15
155.295	do	16
155.325	do	16, 17
155.340	do	15, 17
155.355	do	16, 17
155.385	do	16, 17
155.400	do	15, 17
952-960	Operational fixed	1

b. Paragraph (f) is amended by adding the following new subparagraphs:

(16) Available for assignment for developmental operation: *Provided*, That

(i) Listed frequencies 15 kc removed are presently assigned for use in the same area or the use of such frequencies is shown to be impractical at the location proposed; and

(ii) The proposed station location is removed by at least 40 miles from the station location of each other station, except those of the applicant authorized to operate on frequencies 30 kc or less removed; and

(iii) The application is accompanied by a statement under oath that the licensees of all stations located within a radius of 75 miles of the proposed location and authorized to operate on a frequency 30 kc or less removed have concurred with such assignment or is accompanied by an acceptable engineering report indicating that harmful interference to the operation of the existing stations will not be caused, together with a statement under oath that the licensees of all stations located within a radius of 75 miles of the proposed location authorized to operate on frequencies 30 kc or less removed have been notified of applicant's intention to request the assignment.

(17) Available for assignment only to hospitals eligible under § 10.451 and to those ambulances which submit a showing that they render coordination and cooperation with a hospital authorized on this frequency.

[F.R. Doc. 60-10144; Filed, Oct. 27, 1960; 8:49 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR (1954) Part 1]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Information Returns of Domestic Corporations With Respect to Certain Foreign Corporations

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 15 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 15-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL]

CHARLES I. FOX,
Acting Commissioner of
Internal Revenue.

In order to provide regulations under section 6038 as added to the Internal Revenue Code of 1954 by section 6 of the Act of September 14, 1960 (Public Law 86-780, 74 Stat. 1014) to require the filing of information returns by a domestic corporation with respect to each foreign corporation which it controls and each foreign subsidiary of such foreign corporation, the following regulations are hereby prescribed:

§ 1.6038-1 Statutory provisions; information with respect to certain foreign corporations.

Sec. 6038. *Information with respect to certain foreign corporations.*—(a) *Requirement.*—(1) *In general.* A domestic corporation shall furnish, with respect to any foreign corporation which it controls (within the meaning of subsection (c)(1)) and with respect to any foreign subsidiary of any such foreign corporation (within the meaning of subsection (c)(2)), such information as the Secretary or his delegate may prescribe by regulations relating to—

(A) The name, the principal place of business, and the nature of business of such for-

ign corporation or foreign subsidiary, and the country under whose laws incorporated;

(B) The accumulated profits (as defined in section 902(c)) of such foreign corporation or foreign subsidiary, including the items of income (whether or not included in gross income under chapter 1), deductions (whether or not allowed in computing taxable income under chapter 1), and any other items taken into account in computing such accumulated profits;

(C) A balance sheet for such foreign corporation or foreign subsidiary, listing assets, liabilities, and capital;

(D) Transactions between such foreign corporation or foreign subsidiary and—

(i) Any foreign corporation controlled by the domestic corporation,

(ii) Any foreign subsidiary of a foreign corporation controlled by the domestic corporation, and

(iii) The domestic corporation or any shareholder of the domestic corporation owning at the time the transaction takes place 10 percent or more of the value of any class of stock outstanding of the domestic corporation; and

(E) A description of the various classes of stock outstanding, and a list showing the name and address of, and number of shares held by, each citizen or resident of the United States and each domestic corporation who is a shareholder of record owning at any time during the annual accounting period 5 percent or more in value of any class of stock outstanding of such foreign corporation or foreign subsidiary.

(2) *Period for which information is to be furnished, etc.* The information required under paragraph (1) shall be furnished—

(A) In the case of a foreign corporation, for its annual accounting period ending with or within the domestic corporation's taxable year, and

(B) In the case of any foreign subsidiary of such foreign corporation, for such subsidiary's annual accounting period ending with or within such foreign corporation's annual accounting period described in subparagraph (A).

The information required under this subsection shall be furnished at such time and in such manner as the Secretary or his delegate shall by regulations prescribe.

(3) *Limitation.* No information shall be required to be furnished under this subsection with respect to any foreign corporation or foreign subsidiary for any annual accounting period unless such information was required to be furnished under regulations in effect on the first day of such annual accounting period.

(b) *Effect of failure to furnish information.* If a domestic corporation fails to furnish, within the time prescribed under paragraph (2) of subsection (a), any information with respect to any foreign corporation or foreign subsidiary required under paragraph (1) of subsection (a), then, in applying section 902 (relating to foreign tax credit for corporate stockholder in foreign corporation) to such domestic corporation (or to any person who acquires from any person any portion of the interest of such domestic corporation in any such foreign corporation or foreign subsidiary, but only to the extent of such portion) for any taxable year, the amount of taxes paid or deemed paid by each foreign corporation and foreign subsidiary with respect to which the domestic corporation is required to furnish information during the annual accounting period or periods with respect to which such information is required under

such paragraph (2) of subsection (a) shall be reduced by 10 percent. If such failure continues 90 days or more after notice by the Secretary or his delegate to the domestic corporation, then the amount of the reduction under this subsection shall be 10 percent plus an additional 5 percent for each 3-month period, or fraction thereof, during which such failure to furnish information continues after the expiration of such 90-day period. No taxes shall be reduced under this subsection more than once for the same failure. For purposes of this subsection, the time prescribed under paragraph (2) of subsection (a) to furnish information (and the beginning of the 90-day period after notice by the Secretary) shall be treated as being not earlier than the last day on which (as shown to the satisfaction of the Secretary or his delegate) reasonable cause existed for failure to furnish such information.

(c) *Control, etc.* For purposes of this section—

(1) If at any time during its taxable year a domestic corporation owns more than 50 percent of the voting stock of a foreign corporation, it shall be deemed to be in control of such foreign corporation.

(2) If at any time during its annual accounting period a foreign corporation owns more than 50 percent of the voting stock of another foreign corporation, such other corporation shall be considered a foreign subsidiary of the corporation owning such stock.

(d) *Annual accounting period.* For purposes of this section, the annual accounting period of a foreign corporation or of a foreign subsidiary is the annual period on the basis of which such foreign corporation or such foreign subsidiary regularly computes its income in keeping its books.

(e) *Gross reference.* For provisions relating to penalties for violations of this section, see section 7203.

[Sec. 6038 as added by sec. 6, Act of Sept. 14, 1960 (Pub. Law 86-780, 74 Stat. 1014)]

§ 1.6038-1 Information returns required of domestic corporations with respect to certain foreign corporations.

(a) *Requirement of return.* For taxable years beginning after December 31, 1960, every domestic corporation shall make a separate annual information return on Form 2952, in duplicate, with respect to each foreign corporation which it controls, as defined in paragraph (b) of this section, and with respect to each foreign subsidiary, as defined in paragraph (c) of this section, for the annual accounting period (described in paragraph (d) of this section and beginning after December 31, 1960) of each such controlled foreign corporation or foreign subsidiary.

(b) *Control.* A domestic corporation shall be deemed to be in control of a foreign corporation if at any time during its taxable year it owns more than 50 percent of the voting stock of such foreign corporation.

(c) *Foreign subsidiary.* A foreign corporation more than 50 percent of the voting stock of which is owned by a controlled foreign corporation at any time during the annual accounting period of such controlled foreign corporation shall be considered a foreign subsidiary.

(d) *Period covered by return*—(1) *Controlled foreign corporation.* The information with respect to a controlled foreign corporation shall be furnished for its annual accounting period ending with or within the domestic corporation's taxable year.

(2) *Foreign subsidiary.* The information with respect to a foreign subsidiary shall be furnished for such subsidiary's annual accounting period ending with or within the controlled foreign corporation's annual accounting period.

(3) *Annual accounting period defined.* For purposes of this section, the annual accounting period of a controlled foreign corporation or of a foreign subsidiary is the annual period on the basis of which the controlled foreign corporation or foreign subsidiary regularly computes its income in keeping its books. The term "annual accounting period" may refer to a period of less than 1 year, where for example the foreign income, war profits, and excess profits taxes are determined on the basis of an accounting period of less than 1 year as described in section 902(c) (2).

(e) *Contents of return.* The return on Form 2952 shall contain the following information with respect to each foreign corporation and each foreign subsidiary:

(1) The name and address of the corporation;

(2) The principal place of business of the corporation;

(3) The date of incorporation and the country under whose laws incorporated;

(4) The nature of the corporation's business;

(5) A statement of the corporation's accumulated profits as defined in section 902(c) as of the beginning and as of the end of its annual accounting period, with a reconciliation itemizing:

(i) The amount of each type of the corporation's income for such period (whether or not excludable from gross income under chapter 1 of the Code),

(ii) The amount of each type of the corporation's deductions for such period (whether or not allowable in computing taxable income under chapter 1 of the Code),

(iii) The amount of each type of income, war profits, and excess profits taxes imposed on or with respect to the corporation's gains, profits, or income for such period, and

(iv) Any other amount for such period taken into account in computing accumulated profits (as defined in section 902(c)) as of the end of such period;

(6) A balance sheet as of the beginning and the end of the annual accounting period of the corporation listing:

(i) The corporation's assets,
(ii) The corporation's liabilities, and
(iii) The corporation's net worth;

(7) A reconciliation of the corporation's earned surplus account;

(8) A list of transactions, itemized as to type, number, and amount, and the parties thereto, which took place during its annual accounting period between the controlled foreign corporation or foreign subsidiary and—

(i) Any controlled foreign corporation controlled by the domestic corporation,

(ii) Any foreign subsidiary of any controlled foreign corporation controlled by the domestic corporation,

(iii) The domestic corporation, and

(iv) Any shareholder of the domestic corporation owning at the time of the transaction 10 percent or more of the value of any class of stock outstanding of the domestic corporation;

(9) As regards the outstanding stock of the corporation—

(i) A description of each class of the corporation's stock,

(ii) The number of shares of each class authorized to be issued, and

(iii) The number of shares of each class outstanding at the beginning and the end of the annual accounting period; and

(10) A list showing the name and address of, and the number of shares of each class of the corporation's stock held by, each citizen or resident of the United States, and each domestic corporation, who is a shareholder of record owning at any time during the annual accounting period 5 percent or more in value of any class of the corporation's outstanding stock.

(f) *Time and place for filing return.* Returns on Form 2952 required under paragraph (a) of this section shall be filed with the domestic corporation's income tax return on or before the fifteenth day of the third month following the close of such corporation's taxable year.

(g) *Extensions of time for filing.* District directors are authorized to grant reasonable extensions of time for filing returns on Form 2952 in accordance with the applicable provisions of § 1.6081-1 of this chapter. An application by a domestic corporation for an extension of time for filing a return of income shall also be considered as an application for an extension of time for filing returns on Form 2952.

(h) *Failure to furnish information—*

(1) *Effect on foreign tax credit.* Failure by a domestic corporation to furnish, in accordance with the provisions of this section, any return or any information in any return, required to be filed for a taxable year under authority of section 6038 on or before the date prescribed in paragraph (f) of this section (determined with regard to any extension of time for such filing) shall affect the application of section 902 as provided in subparagraph (2) of this paragraph. Such failure shall affect the application of section 902 to such domestic corporation or to any person who acquires from any person any portion (but only to the extent of such portion) of the interest of such domestic corporation in any controlled foreign corporation or foreign subsidiary.

(2) *Reduction of foreign taxes.* In the application of section 902 to the domestic corporation or person referred to in subparagraph (1) of this paragraph for any taxable year, the amount of taxes paid or deemed paid by each controlled foreign corporation and each foreign subsidiary for the accounting period or periods for which the domestic corporation was required for the taxable year of the failure to furnish information under this section shall be reduced by 10 percent.

(3) *Reduction for continued failure.* (i) If the failure, referred to in subparagraph (1) of this paragraph, continues for 90 days or more after date of written notice by the district director to the domestic corporation, then the amount of the reduction referred to in subparagraph (2) of this paragraph shall be 10 percent plus an additional 5 percent for each 3-month period, or fraction thereof, during which such failure continues after the expiration of such 90-day period.

(ii) Taxes paid by a foreign subsidiary when once reduced for a failure shall not be reduced again for the same failure in their status as taxes deemed paid by a controlled foreign corporation. Where a failure continues, each additional periodic 5 percent reduction, referred to in subdivision (i) of this subparagraph, shall be considered as part of the one reduction.

(4) *Reasonable cause.* (i) For purposes of subsection (b) of section 6038 and this section the time prescribed for furnishing information under this paragraph, and the beginning of the 90-day period after notice by the district director, shall be treated as being not earlier than the last day on which (as shown to the satisfaction of the district director) reasonable cause existed for failure to furnish such information.

(ii) A domestic corporation, which wishes to avoid a reduction in foreign tax credit as provided in subparagraphs (2) and (3) of this paragraph for failure to furnish information in accordance with this section, must make an affirmative showing of all facts alleged as a reasonable cause for such failure in the form of a written statement containing a declaration that it is made under the penalties of perjury.

[F.R. Doc. 60-10131; Filed, Oct. 27, 1960; 8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Parts 600, 601]

[Airspace Docket No. 60-KC-76]

FEDERAL AIRWAYS, CONTROL AREAS AND REPORTING POINTS

Modification

Pursuant to the authority delegated to me by the Administrator (14 CFR 409.13), notice is hereby given that the Federal Aviation Agency is considering an amendment to §§ 600.6010, 600.6011, 600.6045, 600.6047, 600.6098, 601.6098 and 601.7001 of the regulations of the Administrator, the substance of which is stated below.

VOR Federal airway No. 10 presently extends in part from the Litchfield, Mich., VOR to the Carleton, Mich., VOR via the intersection of the Litchfield VOR 098° and the Carleton VOR 264° True radials. VOR Federal airway No. 11 presently extends in part from the Fort Wayne, Ind., VORTAC to the Salem, Mich., VOR via the intersection of the Fort Wayne VORTAC 031° and the Salem VOR 227° True radials. VOR Federal airway No. 45 presently extends in part from the intersection of the

Litchfield VOR 098° and the Salem VOR 227° True radials (Tipton, Mich., Intersection), to the Jackson, Mich., VOR. VOR Federal airway No. 47 presently extends in part from the Waterville, Ohio, VOR via the intersection of the Carleton VOR 264° True radial and the Detroit, Mich., Willow Run Airport ILS localizer front course; Detroit Willow Run Airport ILS localizer; to the intersection of the Detroit Willow Run Airport ILS localizer back course and the Salem VOR direct radial to the Windsor, Ontario, VOR. VOR Federal airway No. 98 and associated control area presently extend in part from the Fort Wayne VOR to the Carleton VOR.

The Federal Aviation Agency is considering modifying these airway segments as follows:

1. Realign the segment of Victor 10 from the Litchfield VORTAC to the Carleton VORTAC via the intersection of the Litchfield VORTAC 096° and the Carleton VORTAC 247° True radial.

2. Realign the segment of Victor 11 from Fort Wayne to Salem direct from the Fort Wayne VOR to the Salem VOR.

3. Realign the segment of Victor 45 from the Tipton Intersection to the Jackson VOR from the intersection of the Litchfield VORTAC 096° and the Jackson VOR 131° True radials to the Jackson VOR.

4. Realign the segment of Victor 47 from the Waterville VORTAC to the Salem VOR via the intersection of the Waterville VORTAC 355° and the Salem VOR 190° True radials.

5. Revoke the segment of Victor 98 from the Fort Wayne VOR to the Carleton VOR.

6. Redesignate the Edgerton Intersection reporting point at the intersection of the Fort Wayne VOR 040° and the Waterville VOR 273° True radial.

7. Redesignate the Pioneer Intersection reporting point at the intersection of the Fort Wayne VOR 040° and the Waterville VOR 288° True radial.

The modification of Victor 10, Victor 11, Victor 45, and Victor 47 is part of a plan to improve the flow of air traffic into and from the Detroit terminal area. The realignment of Victor 11 and Victor 47 would provide more direct airway routing from Fort Wayne and Toledo, Ohio, to Detroit. The revocation of the segment of Victor 98 from the Fort Wayne VOR to the Carleton VOR would facilitate air traffic management by simplifying the air route structure in the Detroit area. The segment of Victor 11, from Fort Wayne to Salem, proposed herein via a common intersection with the realigned Victor 10 and Victor 45, would be adjacent to Victor 98 and would be the primary route southwest of Detroit for northeast and southwest bound aircraft into and out of the Detroit terminal area. Accordingly, the segment of Victor 98 and its associated control areas, from Ft. Wayne to Carleton would no longer be required and is proposed for revocation. The control areas associated with Victor 10, Victor 11, Victor 45 and Victor 47 are so designated that they would automatically conform to the modified airways. Accordingly, no

amendment relating to such control areas would be necessary.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on October 21, 1960.

CHARLES W. CARMODY,
Chief, Airspace Utilization Division.

[F.R. Doc. 60-10114; Filed, Oct. 27, 1960;
8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 13826; FCC 60-1262]

TELEVISION BROADCAST STATIONS; MIDLAND, BAY CITY AND EAST TAWAS, MICH.

Table of Assignments

In the matter of amendment of § 3.606 *Table of assignments*, Television Broadcast Stations (Midland, Bay City, East Tawas, Michigan); Docket No. 13826, RM-195.

1. Notice is hereby given of proposed rule making concerning changes in UHF television channel assignments, as discussed below.

2. The Commission has under consideration a "Joint Petition", filed September 8, 1960 (and amended September 19, 1960) by Delta College, a new institution to be located midway between Midland and Bay City, Michigan, and Mid-State Broadcasting Corporation, licensee of WSWM (FM), East Lansing, Michigan. This petition seeks the amendment of

§ 3.606 of our rules so as to add UHF Channel 19+ to Bay City, Michigan, with, concomitantly, the removal of that channel from Midland, Michigan, and substitution thereof of Channel 25—, and substitution of Channel 21 for 25— at East Tawas, Michigan. Under this proposal, channel assignments at these cities would be as follows:

	Present	Proposed
Bay City-----	5—, 63—, *73+	5—, 19+, 63—, *73+
Midland-----	19+	25—
East Tawas-----	25—	21

None of the UHF channels is in use or applied for. Operating television stations in this general area include VHF Stations WNEM-TV, Bay City (Ch. 5), and WJRT, Flint (Ch. 12), and UHF Station WKNX-TV, Saginaw (Ch. 57). Midland and Bay City are about 18 miles apart; Saginaw is approximately 12 miles from Bay City and 20 miles from Midland.

3. The "Joint Petition" seeks the addition of Channel 19 to Bay City as a commercial assignment, proposing use thereof by petitioners on a joint basis as a partly commercial and partly educational operation, which would serve the three cities of Bay City, Midland, and Saginaw. It is alleged that there is need for such service, that the proposed assignments would meet all of the allocation rules, and that, while Channel 63 is available for use by a Bay City UHF station, a lower UHF channel such as 19 is to be preferred because, in the present state of the art, higher UHF equipment does not provide service as extensive or dependable as equipment for the lower UHF channels.¹

4. The two cities of Midland and Bay City are approximately 18 miles apart and a station established at either location would in all probability be located so as to serve both cities. Since Bay City is the largest city, and in view of this and the stated intention of a prospective applicant to apply for the facility if shifted from Midland to Bay City, and with the further consideration that the channel is unused and unapplied for at Midland, it appears that the public interest would be served by the proposed change.

5. Authority for the adoption of the amendment proposed herein is contained in sections 4 (i) and (j), 303, and 307(b) of the Communications Act of 1934 as amended.

6. Pursuant to applicable procedures set out in § 1.213 of the Commission's rules, interested persons may file comments on or before November 28, 1960, and reply comments on or before December 13, 1960. In reaching its decision herein, the Commission will not be limited to consideration of comments of record, but will take into account all relevant information obtained in any manner from informed sources.

7. In accordance with the provisions of § 1.54 of the rules, an original and 14

¹ Although the "Joint Petition" does not mention it, there is also an unused UHF channel, channel 51, at Saginaw.

copies of all written comments and statements shall be furnished to the Commission.

Adopted: October 20, 1960.

Released: October 25, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10142; Filed, Oct. 27, 1960;
8:49 a.m.]

FEDERAL POWER COMMISSION

[18 CFR Part 260]

[Docket No. R-191]

STATEMENT OF SALES AND REVENUES OF INDEPENDENT PRODUCERS

Notice of Proposed Rule Making

OCTOBER 26, 1960.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. Pursuant to the authority granted it by sections 10 and 16 of the Natural Gas Act (52 Stat. 826, 830; 15 U.S.C. 717i, 717o) the Federal Power Commission proposes to amend Part 260 of the Commission's regulations entitled "Statements and Reports (Schedules)" of Subchapter G, Approved Forms, Natural Gas Act, Chapter I—Federal Power Commission, Title 18—Conservation of Power, Code of Federal Regulations (18 CFR Part 260), by amendment of § 260.5 (18 CFR 260.5) and the addition of a new section, § 260.6, both to read as follows:

§ 260.5 Form No. 301-A, Statement of sales and revenues of independent producers.

(a) FPC Form No. 301-A Independent Producers Report,¹ being a statement of sales of natural gas made during the reporting year (calendar year or fiscal year ending prior to July 1 next following the calendar year) under rate schedules filed with the Commission pursuant to §§ 154.92 and 154.94 of this chapter, including the instructions and schedules therein contained, is hereby approved and prescribed.

(b) Each independent producer as defined in § 154.91 of this chapter who had a rate schedule on file with the Commission as of the end of the reporting year, shall (1) beginning with reporting year 1960 hereafter annually prepare and file with the Commission on or before the last day of the sixth month following the close of the reporting year one copy of such FPC Form No. 301-A; and (2) for the reporting year 1959 prepare and file with the Commission on or before December 31, 1960, one copy of such FPC Form No. 301-A.

§ 260.6 Form No. 301-B, Statement of sales and revenues of independent producers.

(a) FPC Form No. 301-B Independent Producers Report,¹ being a statement of

sales of natural gas totaling two million or more Mcf made during the reporting year (calendar year or fiscal year ending prior to July 1 next following the calendar year) under rate schedules filed with the Commission pursuant to §§ 154.92 and 154.94 of this chapter, including the instructions and schedules therein contained, is hereby approved and prescribed.

(b) Each independent producer as defined in § 154.91 of this chapter who had a rate schedule on file with the Commission as of the end of the reporting year and whose sales of natural gas totaled two million or more Mcf during the reporting year shall (1) beginning with reporting year 1960 hereafter annually prepare and file with the Commission on or before the last day of the sixth month following the close of the reporting year two copies of such FPC Form No. 301-B; and (2) for the reporting year 1959 prepare and file with the Commission on or before December 31, 1960, two copies of such FPC Form No. 301-B.

3. Section 260.5 was first prescribed by Commission Order No. 187, Docket No. R-152, issued May 11, 1956, 21 F.R. 3146, which section prescribed FPC Form No. 301, Independent Producers Report of Natural Gas Transactions for the year ending December 31, 1955. By Order No. 198, Docket No. R-162, issued November 19, 1957, 22 F.R. 9385, 18 FPC 662, § 260.5 was amended to prescribe a Form 301 for the year 1956 with somewhat enlarged reporting requirements. By Order No. 214, Docket No. R-176, issued July 15, 1959, 24 F.R. 5755, 22 FPC 81, § 260.5 was further amended to prescribe simplified and slightly revised Forms Nos. 301 for 1957 and 1958. The forms proposed herein are essentially the same as Form No. 301-1957 or Form No. 301-1958. Proposed Form No. 301-A corresponds to Part I of the 1957 or 1958 form, with a minor revision of format. Proposed Form No. 301-B corresponds to Parts II and III of the 1957 or 1958 form.

Forms Nos. 301-A and 301-B are proposed to be prescribed to be filed annually. Forms Nos. 301-1957 and 301-1958 were intended for use in reporting for the years 1957 and 1958, respectively. The report forms for the years 1955 and 1956 were similarly intended to cover the years 1955 and 1956, respectively.

The Commission's regulations exempt independent producers from compliance with the comprehensive accounting and reporting requirements of the Commission's regulations under the Natural Gas Act. This exemption will be continued, but the Commission's experience in the regulation of producers convinces it of the necessity for continuing to require at least the minimum data called for in the proposed forms in order that the regulatory responsibilities of the Commission may be viewed in relation to the relative importance and financial effects of such regulation on the regulated producers.

Any interested person may submit to the Federal Power Commission, 441 G

Street NW., Washington 25, D.C., on or before November 14, 1960, data, views, or comments in writing concerning the amendment and forms proposed herein. An original and nine copies of any such submittals should be forwarded. The Commission will consider these written submittals before acting in this matter.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-10153; Filed, Oct. 27, 1960;
8:50 a.m.]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 101]

[No. 32153]

UNIFORM SYSTEM OF ACCOUNTS FOR RAILROAD COMPANIES

Rearrangement and Revision in General Accounting Instructions and Related Matters

OCTOBER 21, 1960.

Notice is hereby given that the Interstate Commerce Commission has under consideration amendments of the Uniform System of Accounts for Railroad Companies for the purpose of improving the arrangement of the present general accounting instructions and making related changes in the texts of accounts affected and also making other revisions in the regulations as set forth herein.

Explanatory statement. Because of additions to and other changes which have been made in the general accounting instructions in the uniform system of accounts from time to time, rearrangement in the present instructions as set forth herein is necessary and desirable in order that interrelated instructions will be suitably placed and duplication or overlapping eliminated. In the process of this rearrangement, changes in the regulations have been made which are largely in the nature of clarifying revisions. Other revisions in the present rules are made herein applicable to classification of structures used partly in transportation and partly in nontransportation operations, losses on property retired from service, pricing of material and supplies, and other matters, deemed to be necessary in the light of developments in the railroad industry and to meet present-day conditions. The rearrangement and revisions in the general accounting instructions and texts of the accounts are set forth in detail below.

In order that the Commission may be fully advised in this matter, interested persons may submit not later than November 21, 1960, data, views, and comments in writing concerning the revisions proposed herein in the uniform system of accounts, and may request oral argument or public hearing. An original and 3 copies should be filed of such responses.

Unless otherwise ordered after consideration of such responses as may be received amendments of the uniform

¹ Form filed as part of original document.

¹ Form filed as part of original document.

system of accounts herein set forth shall be effective on January 1, 1961.

Notice will be given to railroads hereby affected and to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D.C. and by filing this notice with the Director, Office of the Federal Register.

(Sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 20)

By the Commission, Division 2.

[SEAL] HAROLD D. McCoy,
Secretary.

In §§ 10.00 to 10.08-8, inclusive, cancel the numbers, titles, and texts of the accounting instructions; also related index and captions therein, and substitute the following section numbers, titles, texts, and related index and captions.

Sec.	Definitions.
10.00	GENERAL INSTRUCTIONS
10.01-1	Classification of carriers.
10.01-2	Classification of accounts.
10.01-3	Records.
10.01-4	Accounting period.
10.01-5	Accrual method of accounting.
10.01-6	Unaudited items.
10.01-7	Delayed items.
10.01-8	Operating reserves.
10.01-9	Item lists.
10.01-10	Submission of questions.
	PROPERTY ACCOUNT INSTRUCTIONS
10.02-1	Items to be charged.
10.02-2	Minimum rule applicable to additions to property.
10.02-3	Land.
10.02-4	Structures.
10.02-5	Equipment.
10.02-6	Components of construction cost.
10.02-7	Additions to and retirements of property—General.
10.02-8	Additions to and retirements of units of property.
10.02-9	Additions to and retirements of other than units of property (minor items).
10.02-10	Expenses in connection with additions and betterments.
10.02-11	Units of property rebuilt or converted.
10.02-12	Changes in line of road.
10.02-13	Relocation of yard tracks.
10.02-14	Acquisition of a railway operating entity or system.
10.02-15	Leased property—Improvements and Retirements.
10.02-16	Donations and contributions of property.
10.02-17	List of units of property.
	MAINTENANCE EXPENSE INSTRUCTIONS
10.03-1	Items to be charged.
10.03-2	Equalization of maintenance expenses.
	CLEARING ACCOUNT INSTRUCTIONS
10.04-1	Items to be charged.
10.04-2	Material and stationery store expenses.
10.04-3	Shop expenses.
10.04-4	Gravel and sand pits and quarries.
10.04-5	Power plant operations.
	DEPRECIATION ACCOUNTS INSTRUCTIONS
10.05-1	Method.
10.05-2	Rates of depreciation.
10.05-3	Depreciation records to be kept.
10.05-4	Leased property—depreciation.
10.05-5	Jointly used property—depreciation.

INCOME AND BALANCE SHEET ACCOUNTS INSTRUCTIONS

Sec.	
10.06-1	Current assets.
10.06-2	Book value of securities owned.
10.06-3	Discount, expense and premium on debt.
10.06-4	Discount, premium, and assessment on capital stock.
10.06-5	Joint liabilities.
10.06-6	Contingent assets and liabilities.

§ 10.00 Definitions.

(a) "Accounts" means the accounts prescribed in this system of accounts.

(b) "Actually issued" as applied to securities issued or assumed, means those which have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from control by the carriers. Also securities issued as dividends on stock.

(c) "Actually outstanding" as applied to securities issued or assumed by the carrier means those which have been actually issued and are neither retired nor held by or for the accounting company.

(d) "Affiliated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

(e) "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

(f) "Carrier" as used herein and when not otherwise indicated in the context means any carrier to which this system of accounts is applicable.

(g) "Commission" means the Interstate Commerce Commission.

(h) "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority of minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

(i) "Cost of removal" means cost of demolishing, dismantling, tearing down or otherwise removing property.

(j) "Debt expense" means all expenses in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

(k) "Discount" as applied to the securities issued or assumed by the carrier, means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

(l) "Ledger value" of property means the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

(m) "Minor items of property" means the associated parts or items of which units of property are composed.

(n) "Nominally issued" as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company.

(o) "Nominally outstanding" as applied to securities issued or assumed by the carrier, means those which, after being actually issued, have been reacquired by or for the accounting company under such circumstances which require them to be considered as held alive and not retired.

(p) "Premium" as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

(q) "Property retired" means units of property which have been removed, sold, abandoned, destroyed, or which for any cause have been permanently withdrawn from service; also minor items of property not replaced.

(r) "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to material and supplies account, as specified in the text, or other appropriate account.

(s) "Service life" means the period between the date when property is placed in service and the date of its retirement.

(t) "Service value" means the ledger value less the salvage value recovered therefrom.

GENERAL INSTRUCTIONS

§ 10.01-1 Classification of carriers.

For the purposes of applying this system of accounts, carriers are divided into two general classes, designated respectively Class I and Class II.

Class I. Carriers having annual railway operating revenues of \$3,000,000 or more.

Class II. Carriers having annual railway operating revenues less than \$3,000,000.

Both Class I and Class II carriers shall keep the accounts prescribed herein, ex-

cept that a condensed grouping of primary operating expense accounts is provided for the use of Class II carriers. Class II carriers desiring to do so may maintain the primary accounts prescribed for Class I carriers but must be prepared to combine the accounts for the purpose of making entries in reports filed with the Commission.

In applying the classification grouping to any switching or terminal company which is operated as a joint facility of owning or tenant railways the sum of the annual railway operating revenues, the joint facility rent income, and the totals of the joint facility accounts in operating expenses, shall be used in determining its class.

This classification of carriers shall be based on the average annual railway operating revenues for the last three consecutive years; and, if at the close of any calendar year the average of the annual railway operating revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the carrier has been, its class for the second succeeding year shall change accordingly and the carrier shall remain in such class for a period of not less than three consecutive years: *Provided*, That: (1) carriers which have operated for a period less than three calendar years shall be classified upon the basis of the average of their annual railway operating revenues for the latest period of such operation; (2) newly organized carriers shall be assigned to classes, as above defined, on the basis of their railway operating revenue known or estimated for a year; and (3) carriers shall within 60 days after the close of a calendar year notify the Commission when a change in classification has taken place.

§ 10.01-2 Classification of accounts.

Accounts are prescribed to cover cost of property used in transportation operations and operations incidental thereto and for revenues, expenses, taxes, rents, and other items of income for such operations. Separate accounts are prescribed for investment in property not used in transportation operations and for other investments and income therefrom; for unusual profits and losses includible directly in retained income; and for assets, liabilities and capital includible in the balance sheet statement.

The cost of property, and the revenues, expenses, taxes and rents, for miscellaneous operations involving the use of such facilities as hotels, restaurants, grain elevators, storage warehouses, powerplants, cold storage plants, etc., shall not be included in the accounts prescribed for transportation operations unless the operation of the facilities is conducted by the railway companies in connection with furnishing transportation services. Likewise, the cost of property, the revenues, expenses, taxes, and rents arising for the operation of stockyards shall not be included in accounts prescribed for transportation operations unless operation of the facilities is conducted in connection with transportation of livestock. It is not intended that cost of property and in-

come arising from incidental public stockyards service rendered by stockyards primarily devoted to transportation services shall be excluded from transportation operation accounts.

Joint facility accounts are provided for the joint users of tracks, bridges, yards, wharves, stations, and other facilities in which to record items in settlement for use of such facilities. When the compensation for the use of facilities is a fixed amount or is based upon a charge per passenger, ton, car or other unit, it shall be fairly apportioned by the operating company among the joint facility operating expense and income accounts. The creditor shall show the distribution of these charges upon its bills, and such distribution shall be adhered to by the debtor. Train service in connection with the line haul of traffic, including that operated under a joint arrangement for the benefit of two or more carriers, is not considered a joint facility operation.

All items of profit and loss recognized during the year are includible in net income except items which in the aggregate for the same class are both material in relation to net income for the year and are clearly not identified with or do not result from usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from net income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from company bonds reacquired, and from delayed items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from income accounts, would distort the accounts and impair the significance of net income for the year so that misleading inferences might be drawn therefrom. Items so excludible from net income are to be entered directly in the retained income accounts provided for such items.

§ 10.01-3 Records.

Each carrier shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

No carrier shall destroy any such books or records unless the destruction thereof is permitted by the Regulations to Govern the Destruction of Records of Railroad Companies.

In addition to prescribed accounts, clearing accounts, temporary accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired.

§ 10.01-4 Accounting period.

Each carrier shall keep its books on a monthly basis so that for each period all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the carrier. The entries for any period shall be made not later than 60 days after the last day of the period for which the accounts are stated, except that the time within which the final entries for the period ending December 31 shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual report.

§ 10.01-5 Accrual method of accounting.

The accounting for operating revenues, operating expenses and income each month and year shall be, as nearly as practicable, upon the basis of accruals consistently applied. Any change in practice of accounting for accruals or any unusual accruals involving material amounts shall be reported promptly to the Commission.

§ 10.01-6 Unaudited items.

When it is known that a transaction has occurred which affects operating revenues, operating expenses or other income account but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate income and balance sheet accounts. Such estimate shall be adjusted in the following month or as soon thereafter as the actual amount can be determined. If the estimate is not adjusted in the following month, the amount shall be revised whenever and at the time a substantial change is indicated and the amounts in the balance sheet accounts with respect to such items shall be kept separately in the records until settled and adjusted. The carrier is not required to anticipate items which do not appreciably affect the accounts.

§ 10.01-7 Delayed items.

Ordinary delayed items and adjustments arising during the current year which are applicable to prior years shall be included in the same account which would have been charged or credited if the item had been taken up or the adjustment made in the year to which it pertained. When the amount of a delayed item or adjustment is relatively so large that its inclusion in net income for a single month would seriously distort the accounts for the month (but not for the year), such amount may be distributed in equal monthly charges or credits, as the case may be, to the remaining months of the calendar year. See § 10.01-2 for instructions covering delayed items of a nonrecurring nature which are includible directly in retained income accounts.

§ 10.01-3 Operating reserves.

Accretions to reserve accounts made by charges to operating expenses, operating revenues, or income shall not exceed a reasonable provision for expenses or

other costs incurred during the accounting period. Balances for each year in each reserve account shall be kept separately until the items have been settled and adjusted and amounts shall not be diverted from the purpose for which provided unless permission of the Commission is first obtained.

§ 10.01-9 Item lists.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

§ 10.01-10 Submission of questions.

To maintain uniformity of accounting, carriers shall submit questions of doubtful interpretation to the Commission for consideration and decision.

PROPERTY ACCOUNT INSTRUCTIONS

§ 10.02-1 Items to be charged.

To the road and equipment property accounts shall be charged the cost of purchasing land, the cost of purchasing and constructing buildings, facilities and equipment, and the cost of additions and betterments to property. "Cost" means the amount of money actually paid for property or services. When the consideration given for the property is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of capital stock in reorganization or a merger and pooling of interest, the value of the consideration shall be determined on a cash equivalent basis. The carrier shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than money.

Suitable records shall be maintained showing expenditures during the year for original road and equipment and road extensions; for merger and purchase of existing lines and reorganizations; for additions and betterments; and credits for property retired.

§ 10.02-2 Minimum rule applicable to additions to property.

An exception to the rule in § 10.02-1 is that when the cost of acquisition of units of road property and of additions and betterments to existing units of road property (other than land or tracks) is less than \$500.00, such cost shall be charged to operating expenses. The carrier shall not parcel expenditures under a general plan for the purpose of bringing the accounting for such expenditures within this minimum rule. An amount of less than \$500.00 may be adopted for purposes of this rule provided the carrier first notifies the Commission of the amount it proposes to adopt and thereafter makes no change in the amount unless authorized to do

so by the Commission. An amount so adopted shall be adhered to in reporting property changes for valuation purposes.

§ 10.02-3 Land.

Accounts are provided for the cost of land used in transportation operations and also for land used in other than transportation operations. When land is no longer used in transportation operations but is retained by the carrier for other than transportation operations the estimated value of such land, not to exceed original cost, shall be transferred to the account prescribed for property used in other than transportation operations. It is not contemplated that irregular parcels of land acquired in connection with acquisition of right of way which have no value as commercial property shall be thus transferred, either for the purpose of making right of way boundaries run more or less regular or for the purpose of eliminating from transportation property account the cost of unoccupied lands between tracks in yards and terminals. When any land, the cost of which is included in the accounts, is sold or otherwise retired, the ledger value shall be credited to the appropriate property investment account. The profit or loss from sale or retirement of land shall be included in the accounts prescribed for such amounts.

§ 10.02-4 Structures.

Accounts are provided for the cost of several classes of buildings and facilities, including fixtures permanently attached to and made a part thereof. When a building or other structure is used primarily for transportation operations and is an integral part of the carrier's transportation plant, but a part thereof is held or used for commercial purposes such as for rental to others or for use in other than transportation operations by the carrier, the entire cost of the building or other structure is includible in the accounts for transportation property. When a building or other structure is used or held primarily for commercial purposes or for use in other than transportation operations by the carrier, the entire cost of the building or structure is includible in account 737, Miscellaneous Physical Property. The accounting for costs of maintenance, taxes, other operating costs, and for revenues and rentals shall be consistent with the classification of the building or other structure.

§ 10.02-5 Equipment.

Accounts are provided for several classes of equipment, such as locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions and betterments, such as improved appliances, parts, or appurtenances. In case retired equipment is held without being torn down, the estimated value of the salvage therefrom shall be included in account 741, Other Assets, until the salvage is recovered.

§ 10.02-6 Components of construction cost.

The cost of constructing property includible in the property accounts shall include the direct and other costs as listed and defined hereunder.

(a) "Cost of labor" includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are especially assigned to construction work their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers and employees who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers and employees solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) "Cost of materials and supplies" includes the purchase price of materials and supplies, including small tools, at the point of free delivery plus the cost of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) "Cost of work-train service" includes amounts paid to others for rent and maintenance of equipment used; cost of labor of enginemen, trainmen, and enginehousemen, including wages of engine crews and train crews held in readiness for such service; and cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment used in construction service. Rent or return upon the investment in such equipment shall not be included as a part of the cost of work-train service.

(d) "Cost of special machine service" includes the cost of labor expended and of materials and supplies consumed in maintaining and operating power shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines.

(e) "Cost of transportation" includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material.

(f) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) "Cost of protection from casualties" includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure in connection with construction work.

(h) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to operating expenses, except that such costs in connection with the removal of old structures which are incumbrances on newly acquired lands shall be included in account 2, Land for Transportation Purposes, or 3, Grading as may be appropriate.

(i) "Cost of privileges" includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

NOTE: The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

§ 10.02-7 Additions to and retirements of property—general.

In accounting for additions to and retirements and replacements of road and equipment property (excluding land) used in transportation operations, such property changes shall be considered as consisting of (1) units of property and (2) other than units of property (minor items). A list of units of property to be

used for this purpose is prescribed in § 10.02-17.

The cost of removal of retired property, both depreciable and other than depreciable, when borne by the carrier, shall be charged, as may be appropriate, to account 270, Dismantling Retired Road Property, account 306, Dismantling Retired Shop and Power Plant Machinery or account 329, Dismantling Retired Equipment.

An equitable proportion of any balance in primary accounts 1, and 72 to 77, both inclusive, applicable to retired property, shall be credited to those accounts concurrently with the retirement accounting.

§ 10.02-8 Additions to and retirements of units of property.

When a unit of road or equipment property is added to the plant, the cost thereof shall be included in the appropriate primary account. When a unit of property is retired, with or without replacement, the cost thereof shall be written out of the property account at time of retirement.

When a unit of road or equipment property classified as depreciable and included in the accounts prescribed for depreciable property is retired the service value shall be charged to account 735, Accrued Depreciation—Road and Equipment.

When property (other than a minor item constituting repairs) classified as other than depreciable property is retired the cost thereof shall be cleared from the property account and the service value shall be charged to account 267, Retirements—Road, except that, the service value, when material in amount, in connection with retirement of a branch line, segment of track, or other important facility constituting a permanent reduction in plant may be charged to account 613, Loss on Sale or Retirement of Property, if so authorized by the Commission.

NOTE: When property included in the depreciable accounts but excluded from the depreciation base is retired, the service value (including engineering expenditures assignable to the retired property but not included in the depreciation base) shall be charged to operating expense.

§ 10.02-9 Additions and retirements of other than units of property.

When an item of road or equipment property, other than a complete unit, is added to the plant and the addition is not a replacement, the cost thereof shall be accounted for in the same manner as an addition of a complete unit of property, subject to the \$500 minimum rule applicable to road property. When an item of property other than a complete unit is replaced, independent of the complete unit of which it is a part, the cost of replacement shall be treated as maintenance and charged to operating expenses; except that, when the replacement effects a substantial betterment, the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity, the excess cost of the replacement over the estimated cost of replacing without betterment shall be charged to the appropriate primary

property account. The cost of removing the old appliances and applying the improved parts shall be charged to operating expenses.

NOTE: The term "estimated cost of replacing" shall not be construed as requiring an estimate based on the current price of material identical with the material replaced when such material is no longer obtainable at reasonable price or would not be used if replacement without betterment were undertaken. In such cases the estimated cost shall be based on the fair and reasonable cost of material comparable to the material being replaced.

When second-hand equipment acquired is in such physical condition that it is necessary to make extensive repairs to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment.

§ 10.02-10 Expenses in connection with additions and betterments.

The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

§ 10.02-11 Units of property rebuilt or converted.

A unit of road property or equipment shall be treated as rebuilt or as converted in the following circumstances and such unit shall be accounted for as an addition and the old unit accounted for as retired from service.

(a) When the cost of renewals of a unit of road property or equipment, exclusive of the expense of dismantling and of repairs of old parts reused, exceeds fifty percent of the cost of a new unit of the same kind and class at that time. This rule does not apply to renewal of a unit of roadway property when the replacement cost new does not exceed \$35,000.

(b) When a unit of road property or equipment is transferred from one class of service to another, with or without physical conversion, and becomes includible in a prescribed primary investment account other than that in which the unit previously has been carried.

The charge to the appropriate road and equipment account for rebuilt or converted units shall be the sum of (a) the cost (estimated if necessary), less recorded depreciation, or salvage value, whichever is lower, of the parts reused and (b) the cost of labor expended in rebuilding or in the conversion process and the cost of additional material applied. In no case shall the total amount charged to the property accounts for such units exceed the estimated cost of units of the same kind and class with fair allowance for depreciation.

§ 10.02-12 Changes in line of road.

When changes are made in a line of road for the purpose of reducing curves or grades, or to eliminate bridges, tunnels, or other physical features, the part of the line so changed shall be considered property retired and its ledger value credited to the property accounts. The new line of road, including land, grading, ballast, track elements, and other transportation facilities serving the road shall be considered an addition and the cost thereof charged to the property accounts. The cost of such track changes which do not involve change in the existing road-bed shall be charged to operating expenses, even though the tracks may be dismantled in the process, but the resulting track extensions or reductions shall be accounted for as additions or retirements, as appropriate, and the betterment cost of improved parts applied shall be charged to property account.

§ 10.02-13 Relocation of yard tracks.

The cost of shifting or rearranging tracks within the limits of an existing yard shall be charged to operating expenses, even though the tracks may be dismantled in the process, but resulting increases or decreases in grading, ballast, or track length shall be accounted for as additions or retirements, as appropriate, and the betterment cost of improved parts applied shall be charged to the property accounts. Where tracks in whole or in part within the limits of an existing yard are determined to be no longer permanently used the ledger value of such tracks shall be eliminated from the property account. In case yard tracks and facilities are constructed in another location to take the place of tracks retired within an existing yard, such tracks and facilities shall be accounted for as additions and the cost thereof shall be included in the property account.

§ 10.02-14 Acquisition of a railway operating entity or system.

The cost of acquiring a railway or portion thereof as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise shall be accounted for as provided in the text of account 733, Acquisition Adjustment.

§ 10.02-15 Leased property improvements and retirements.

The cost to lessee of structures, facilities, additions and betterments on leased property and for retirement of property the cost of which is included in account 732, Improvements on Leased Property, shall be accounted for in conformity with the instructions for property owned. When property taken over in the lease is retired and replaced and lessee is not obligated to reimburse the lessor for the retired property other than through the replacement, the lessee shall credit the ledger value of the retired property to account 732, Improvements on Leased Property, as an offset to the cost of the replacement borne by lessee and charged to that account. When lessee is obligated to reimburse the lessor currently

or at the termination of the lease for property retired other than through replacement, the lessee shall include the amount of the obligation in the appropriate liability account. The lessee shall furnish the lessor such information as is required to enable the lessor to perform necessary accounting. The accounting by the lessee and the lessor shall be consistent with contractual arrangements.

§ 10.02-16 Donations and contributions of property.

(a) *Donations from individuals or others.* The entire cost of constructing transportation property to which the carrier acquires exclusive title and exclusive right of use shall be included in these accounts without deduction on account of contributions received from others. The money value of donations shall be credited to account 734, Donations and Grants-Cr.

Note: Amounts billed against a lessee company for a proportion of the cost of constructing facilities under a contract which covers the joint use of such facilities but does not transfer title, shall be credited by the owning company to account 508, Joint Facility Rent Income, and charged by the lessee to account 541, Joint Facility Rents. The entire cost of the facilities shall be charged by the owning company to the appropriate accounts of this classification.

(b) *Joint projects.* Contributions by governmental agencies, or individuals toward construction of projects involving joint use of facilities by the carrier and others after completion of the project shall not be considered donations and only the cost borne by the carrier in connection with the construction of these projects shall be included in these accounts. In accounting for the cost to the carrier of projects involving joint use of facilities by the carrier and others, such costs shall be first applied to the cost of construction of railway facilities includible in accounts other than 2½, Other Right-of-Way Expenditures, or 39, Public Improvements-Construction, any remaining balance to be included in account 2½, or account 39, as appropriate.

Illustrations of joint projects referred to are:

- (1) Jointly owned tracks interlockers, etc.;
- (2) Construction or widening of highways, spillways, drainage canals, farm and other private passes, pipe lines, drains and other facilities across the carrier's right of way;
- (3) Construction of overhead or underground crossings;
- (4) Installation of warning signals to protect highway traffic.

(c) *Public improvement projects other than joint projects.* In connection with public improvement projects which do not involve joint use by the carrier and others of the facilities after completion of the projects such as reconstruction and relocation of tracks and appurtenant facilities at the expense of governmental agencies, the ledger value of the property retired shall be credited and the cost of constructing the new property shall be charged to the appropriate accounts of this classification. The sum contributed by the governmental agen-

cies unless contract specifies otherwise shall be applied first to reduce or cancel the amount that otherwise would be charged to operating expenses or depreciation reserve in accounting for the retirements, and the remainder, if any, representing cost of railroad property only, shall be credited to account 734, Donations and Grants-Cr. The projects here referred to are those such as occur in connection with the carrying out of flood control, reclamation and other public projects where it becomes necessary to abandon a part of the line of road and relocate it.

§ 10.02-17 List of units of property.

This list of units is established for the purpose of designating the units of property in accounting for additions to and retirements and replacements of property. Detailed instructions are included in §§ 10.02-7 and 10.02-8. Items listed under road property accounts are subject to the minimum rule applicable to additions to property. Section 10.02-2.

This list of units will be revised from time to time as may be necessary to meet conditions. A carrier desiring to include in any account an appropriate unit not now specified therein may, upon approval of the Commission, make such authorized addition to this list of units.

Rules applicable to units of property rebuilt or converted and to changes in line of road or tracks which involve accounting for units of property retired, are set forth in §§ 10.02-11, 10.02-12, and 10.02-13.

Account 3, Grading

A retaining wall, riprap (hand placed), a protecting dyke, a protecting crib, a wing dam, a revetment, mattress, pipe or other structures to provide drainage. Each entire installation.

Account 5, Tunnels and Subways

The entire masonry, entire timber, and entire metal lining of a tunnel or subway, including portals and wing walls.

Drainage. Each entire installation.

Lighting. Each entire installation.

Ventilation. Each entire installation.

Account 6, Bridges, Trestles and Culverts

A steel superstructure.

A concrete or stone substructure.

A concrete trestle, a complete bridge or approach.

A timber trestle, a complete bridge or approach.

Complete machinery for operating a movable span.

A protecting dyke, a protecting crib (a fender), a wing dam, a complete culvert. Each entire installation.

Account 7, Elevated Structures

Any applicable units listed under account 6, Bridges, Trestles, and Culverts.

Account 13, Fences, Snowsheds, and Signs

A complete snowshed.

One continuous mile of right-of-way fence.

One continuous mile of permanent sand or snow fence.

Account 16, Station and Office Buildings

A complete building, including attached platform.

A complete platform structurally detached from a building.

Each retaining wall installation.

Each timber trestle installation.

Each coal pocket installation.

Each outside steam, water, air, etc., pipe line installation.

Each storm or sanitary sewer installation. A complete fence.

Paving. Each complete installation. A station stockyard. Each complete installation.

A track scale. A track scale pit.

An outside crane or conveying system for handling freight.

A motor truck. A motor tractor.

Any applicable units listed under other accounts.

Account 17, Roadway Buildings

Any applicable units listed under accounts 16, Station and Office Buildings, and 44, Shop Machinery.

Account 18, Water Stations

A complete water supply piping system. A dam or reservoir.

A pump house. Pumping machinery. Each complete installation.

A water tank. Each complete installation. A complete track trough at one location.

A water crane. Complete with pit. A water treating plant.

Account 19, Fuel Stations

A trestle-type coaling station. Mechanical coaling station. Each complete installation.

A complete fuel supply system, including appurtenances.

A pump house. A fuel oil storage tank (large).

Account 20, Shops and Engine Houses

A complete building, including attached platform.

A complete platform structurally detached from a building.

A turntable. A turntable pit.

A transfer table with machinery. A transfer table pit.

A cinder pit. Each complete installation. A sand storage and handling and drying apparatus.

Outdoor bins. Each complete installation. A smoke stack not mounted on boiler.

A lorry track system (outside). A boiler washing plant. Each complete installation.

An overhead crane, outside. Each outside pipe installation, steam, air, water, etc.

Each sewer installation, storm or sanitary. Paving. Each complete installation.

Each shop fence or wall installation. Any applicable unit under account 16, Station and Office Buildings.

Account 21, Grain Elevators

A complete building, including attached platform.

A complete platform structurally detached from a building.

A conveyor system complete. An elevator system complete.

A blowing system complete. For additional items see account 16, Station and Office Buildings, and 44, Shop Machinery.

Account 22, Storage Warehouses

A complete building, including attached platform.

A complete platform structurally detached from a building.

For additional items see account 16, Station and Office Buildings, and 44, Shop Machinery.

Account 23, Wharves and Docks

A timber float bridge. A steel float bridge.

A wharf (including pile clusters).

A timber incline.

A bulkhead.

Jetties or breakwater.

Ferry racks (including pile clusters).

Float racks.

Each complete machinery installation.

For additional items, see accounts 3 Grading, 6 Bridges, Trestles, and Culverts, and 44, Shop Machinery.

Account 24, Coal and Ore Wharves

Car dumper complete.

Timber bridges.

Steel bridges.

Each complete machinery installation.

A loading or unloading machine complete.

Each coal or ore pocket installation.

For additional items, see accounts 6, Bridges, Trestles, and Culverts, 16, Station and Office Buildings, 20, Shops and Engine Houses, 23, Wharves and Docks, and 44, Shop Machinery.

Account 26, Communication Systems

A complete mile section or complete installation if less than a mile of pole line including cross arms, wires and appurtenances.

Each mile or complete installation of cable with associated parts.

Each mile or complete installation of conduit with associated parts.

A complete tower.

A complete installation at each location constituting a separate means of communication, such as radio, radar, carrier telephone, teletype, or other communication systems.

For additional items see account 16, Station and Office Buildings.

Account 27, Signals and Interlockers

A signal system installation complete, or section thereof, with associated parts, including masts, batteries, relays, ladder, etc.

A complete mile section or complete installation if less than a mile, or pole line including cross arms, wires and appurtenances.

Each mile or complete installation if less than one mile of cable with associated parts.

Each mile or complete installation if less than one mile of conduit with associated parts.

Switch movement with associated parts.

A complete building.

An interlocking plant complete (excluding machine).

An interlocking machine.

Signal bridge complete.

Each highway crossing protection installation complete.

Each car retarder installation complete.

A traffic control or C.T.C. system installation complete.

Account 29, Power Plants

Any applicable units listed under accounts 16, Station and Office Buildings, and 20, Shops and Enginehouses.

Account 31, Power Transmission Systems

A continuous mile, or a separate installation if less than a mile, of catenary complete including catenary hangers, trolley wire and appurtenances.

A continuous mile, or a separate installation if less than a mile, of transmission line, including poles, wires, transformers, switches, and other appurtenances.

Each outside steam, air, etc., pipe line installation.

A manhole.

Substation or switching station complete.

Each mile, or installation if less than a mile, of third rail.

A catenary bridge or support.

A high-tension transmission tower.

Any applicable units listed under accounts 26, Communication Systems, and 27, Signals and Interlockers.

Account 35, Miscellaneous Structures

Any applicable units listed under other accounts.

Account 37, Roadway Machines

Each roadway machine complete including accessories.

Account 39, Public Improvements—Construction

Any applicable units listed under other accounts.

Account 44, Shop Machinery

A machine (including foundation and motor, if any), such as lathes, shapers, slotters, boring machines.

Equipment, such as ash handling.

A furnace.

A boiler installation complete.

A motor vehicle used in shops only.

Testing equipment.

Overhead crane, complete.

Account 45, Power Plant Machinery

A power plant machine, including foundation, such as a turbine, rectifier, dynamo, generator.

Any applicable unit listed under Account 44, Shop Machinery.

Account 51, Steam Locomotives

A complete locomotive.

A locomotive, exclusive of tender.

A tender.

A locomotive booster.

Account 52, Other Locomotives

Diesel electric lead unit ("A" unit).

Diesel electric booster unit ("B" unit).

Diesel electric locomotive (general purpose).

Electric locomotive.

Gasoline locomotive.

Gas turbine locomotive.

Gas turbine locomotive tender.

Locomotives not otherwise specified (excluding steam locomotives).

Standby (used in rotation as needed) units for diesel locomotives, such as combustion engine or motor, propulsion motor and assembly, and generator.

Account 53, Freight-Train Cars

A complete car.

Motor equipment of a motor driven car.

A propulsion motor including generator.

A freight container, complete.

Account 54, Passenger-Train Cars

A complete car, including interior furnishings.

Motor equipment of a motor driven car.

A propulsion motor, including generator.

Account 56, Floating Equipment

A complete vessel or boat, exclusive of machinery.

Machinery: a boiler, a motor, an engine.

Account 57, Work Equipment

(a) Rail equipment:

(1) A complete car or machine.

(2) A boiler.

(3) An engine.

(4) A motor.

(5) Machinery equipment (with or without tractive machinery) such as concrete mixer, snow plow, derrick, steam shovel, or pile driver.

(6) A complete motor equipment.

(b) Floating equipment—Work:

(1) A complete vessel or boat.

(2) A boiler.

(3) An engine.

(4) A motor.

Any applicable units listed under other accounts.

Account 58, Miscellaneous Equipment

A complete vehicle.

MAINTENANCE EXPENSE INSTRUCTIONS

§ 10.03-1 Items to be charged.

The accounts provided for maintenance of road property and of equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in transportation operations, including expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

These accounts shall include the cost of labor, materials and supplies, work-train service, floating equipment work service, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in railway service. The cost of materials and supplies, which shall include small tools, shall include the cost at the point of free delivery plus freight charges of foreign lines, and the costs of inspection and loading assumed by the carrier; also a proportion of store expenses. Such cost shall not include expenses of transportation over the carrier's line. Royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs. The cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable, except where otherwise specified in the text of the accounts. In calculating the cost of materials used proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary tracks, scaffolding, cofferdams, and other temporary structures used in repair work.

The cost of repairs shall include the cost of inspecting to determine the repairs necessary, and of adjusting or repairing parts, both of road property and of equipment, such as the repairing of locomotives, cars, frogs, switches, rails, etc.; the cost of inspecting and testing after repairs have been made such as the testing of locomotives after repairs to determine whether the repairs have been properly made, and the running of repaired locomotives light in order to break them in for regular service; incidental costs of repairs, such as the construction or removal of false work in connection with maintenance, cost of demolishing retired road property and disposing of the wreckage therefrom when the property is dismantled by or for the carrier; cost of maintaining or protecting traffic during the progress of construction work, including the cost of constructing, maintaining and removing temporary tracks required for maintaining traffic during the progress of the work; cost of mowing and beautifying grounds around buildings; repairing fences, sidewalks, driveways, and streets

within or adjacent to such grounds; cost of removing snow from roofs of buildings (when not removed by those employed in the buildings); cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hot-houses in connection with the work of beautifying grounds; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segregate.

§ 10.03-2 Equalization of maintenance expenses.

The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred. In case the carrier adopts a budget or estimate for all or a part of the calendar year of expenses includible in one or more primary maintenance accounts or for the general accounts 200, Maintenance of Way and Structures, and 300, Maintenance of Equipment, an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 280, Equalization—Way and Structures, or account 338, Equalization—Equipment, with contra entries in account 773, Equalization Reserves. If certain primary accounts only are budgeted the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

Amounts included in account 773, Equalization Reserves, in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the equalization accounts originally charged or credited.

CLEARING ACCOUNT INSTRUCTIONS

§ 10.04-1 Items to be charged.

In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts, as hereinafter set forth.

§ 10.04-2 Material and stationery store expenses.

To clearing accounts called "Material store expenses" and "Stationery store expenses" shall be charged expenses in connection with purchasing, handling and storing material and stationery in and distributing it from the company's storehouses, including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also expenses, including wages, fuel, and supplies, of

operating switching locomotives when exclusively assigned to the service of switching at material storehouses. (Expenses of incidental switching at material yards by locomotives in regular switching service shall be charged to the appropriate transportation accounts.) The pay and expenses of men employed in purchasing or inspecting a single class of material, such as ties, shall be added as store expenses to the cost of that particular material.

The total amount of storehouse expenses charged to these accounts shall be so distributed among the accounts to which material and stationery has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the items issued chargeable thereto, except that the amount representing the purchasing department expenses shall be apportioned on the value of the items issued which were purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material and stationery purchased or issued, carriers may make a monthly apportionment on the basis of fair percentage rates, provided the store expense accounts are adjusted and closed out at the end of each year.

§ 10.04-3 Shop expenses.

A clearing account entitled "Shop expenses" shall be kept to which shall be charged items of expense at shops, enginehouses, repair tracks, and other places at which mechanical work is done, not assignable directly to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers are permitted to make the monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account is adjusted and closed out at the end of each year.

The expenses assignable to this account shall include the pay of foremen (who exercise supervision over all departments), their clerks, and other employees engaged in general work in and about shops, cost of heat, light and power; cost of small tools and supplies and water and power purchased; also cost of removal of snow and ice from transfer tables and shop yards, and other incidental shop expenses. To this account shall be charged expenses, including wages, fuel and supplies, of operating switching locomotives when exclusively assigned to switching service at shops (the expenses of incidental switching at shops by locomotives in transportation switching service shall be charged to appropriate transportation accounts).

§ 10.04-4 Gravel and sand pits and quarries.

When a gravel or sand pit or quarry is opened for operations likely to extend over a long period an account shall be set up designated, "Operations of gravel pit at -----," or "Operations of

quarry at -----," as the case may be. To this account shall be charged cost of the land in excess of its estimated value after the gravel, sand, or stone has been removed (credit to the property account in which the cost of the land is included); payments for right to enter upon and remove ballast from land not owned by the carrier; cost of sinking test holes; and costs preparatory to opening the pit or quarry. To this account shall be charged also the cost, in excess of the estimated salvage value, of rails and fastenings, ties, other material and labor used in constructing tracks to and in the gravel pit or quarry (the estimated salvage being carried in an appropriate suspense account); cost of labor and train service employed in producing, quarrying, and loading ballast, including the cost of operation, repairs, and depreciation of power shovels and other machines and machinery; pay and expenses of watchmen; cost of explosives and hand tools, and miscellaneous expenses; and cost of installing, operating and maintaining signals and interlockers at gravel pits.

Credit to the clearing account shall be made each month to cover the cost of ballast material produced during the month. The cost of production shall include the expenses directly assignable to the monthly output plus a proportion of the expenses not directly assignable, such as cost of land, tracks, machinery, and interlockers. This latter amount shall be computed upon the basis of the ratio which the monthly output bears to the total estimated yardage to be taken from the pit. When any portion of the product of such pits or quarries is sold, the cost thereof shall be credited to this clearing account and the profit thereon, if any, shall be credited to revenue account 143, Miscellaneous.

§ 10.04-5 Power plant operations.

The accounting for the expenses of maintaining and operating an electric, steam, or other power plant (both building and machinery) shall be determined by the purpose for which the power produced is used. When a power plant is intended and used for producing power solely for the carrier's own operations and the cost of operating the plant is chargeable to clearing account "Shop expenses," or to any one specific account for operating expenses, the expenses of maintenance shall be charged to the appropriate maintenance accounts, and the cost of operation to the account appropriate according to the use of the power.

When the power from such a plant is properly chargeable to more than one account, the expenses of maintaining and operating the plant shall be included in clearing account designated "Power plant operations." The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts. The expenses of operation shall be apportioned to the appropriate accounts upon the basis of quantity of power used for the various purposes.

When a part of the power produced by a power plant is sold and the remainder is used in the carrier's own operations, the cost of maintaining and

operating the plant shall be charged to a clearing account. The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts. The proportion of the expenses of operation assignable to the power sold, on the basis of ratio of quantity of power sold to total quantity of power produced, shall be credited to this clearing account and charged to account 445, Producing Power Sold. The remainder of the cost of operation shall be distributed to the appropriate expense accounts for the carrier's own operations.

When power plants are intended and used solely for furnishing power to others, the investment therein shall be included in balance sheet account 737, Miscellaneous Physical Property, and the revenues and operating expenses shall be included in the accounts provided for operations of such property.

The accounting for the maintenance of transmission systems and distribution systems shall be in accordance with instructions pertaining to power plant operations.

DEPRECIATION ACCOUNTS INSTRUCTIONS

§ 10.05-1 Method.

There shall be charged monthly to operating expenses or other appropriate accounts and credited to account 735, Accrued Depreciation—Road and Equipment, during the service life of depreciable road and equipment property, includible in accounts classed as depreciable, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. The charges for accruing depreciation currently shall be computed in conformity with the group plan by applying to the cost of property such percentage rates as will distribute the service value by the straight-line method in equal annual charges to operating expenses or other accounts during the estimated life of the property. For road property, the cost shall be cost as used in the valuation records, adjusted to current date. If a carrier submits proof that the actual cost of depreciable property is substantially different from cost figures in the valuation records, the carrier may, with the approval of the Commission, use such cost figures as the depreciation base.

The term group plan means the plan under which depreciation charges are accrued upon the basis of the cost of depreciable property includible in accounts classed as depreciable using the service lives of the individual depreciable units in the accounts and properly weighting to determine the composite annual rate of depreciation.

For the purpose of the group plan of depreciation accounting the following primary accounts are classed as depreciable accounts:

Road accounts:

1. Engineering (as appropriately assigned, but not distributed, to the other depreciable accounts in arriving at the amounts used as the depreciation base).
- 2½. Other right-of-way expenditures.
3. Grading (depreciable property recorded in this account).
5. Tunnels and subways.
6. Bridges, trestles and culverts.

7. Elevated structures.
13. Fences, snowsheds, and signs.
16. Station and office buildings.
17. Roadway buildings.
18. Water stations.
19. Fuel stations.
20. Shops and enginehouses.
21. Grain elevators.
22. Storage warehouses.
23. Wharves and docks.
24. Coal and ore wharves.
26. Communication systems.
27. Signals and interlockers.
29. Power plants.
31. Power-transmission systems.
35. Miscellaneous structures.
37. Roadway machines.
39. Public improvements—construction.
44. Shop machinery.
45. Power-plant machinery.

NOTE: With respect to accounts 2½, 3, 5, and 39, carriers may confine the accruals to the depreciable property recorded therein by applying the percentage rates to the aggregate cost of such property (omitting nondepreciable property), in computing depreciation charges, or they may request composite percentage rates to be applied to the total amount recorded in each of the accounts in computing depreciation charges.

Equipment accounts:

51. Steam locomotives.
52. Other locomotives.
53. Freight-train cars.
54. Passenger-train cars.
56. Floating equipment.
57. Work equipment.
58. Miscellaneous equipment.

When abandonment of a branch line or other important segment of the track structure or other part of the plant for which depreciation charges are not includible in the accounts is foreseeable within a reasonable period of time due to exhaustion of traffic, obsolescence or other causes, timely provision shall be made to create a suitable reserve in anticipation of the probable loss and application to the Commission for approval of such accounting shall be made.

§ 10.05-2 Rates of depreciation.

A separate composite annual percentage rate for each account covering depreciable property shall be used in computing depreciation charges. Such composite rates shall be those which are from time to time prescribed or otherwise authorized by the Commission. When rate for a class of property has not been authorized the carrier's estimate of composite annual percentage rates computed in accordance with the method indicated in § 10.05-1 shall be used temporarily until rates are prescribed or otherwise authorized.

Where property is acquired for which no rates have been prescribed or otherwise authorized and also in the event annual percentage rates prescribed for any class or type of property become no longer currently applicable because of material changes in property, premature obsolescence, exhaustion of traffic or other causes not given effect in the existing rates, carriers shall so inform the Commission and, at that time, shall submit revised annual percentage rates and supporting details developed in accordance with the method indicated in § 10.05-1.

In computing monthly charges the annual percentage rates shall be applied

to the depreciation base as of the first of each month and the result divided by twelve.

§ 10.05-3 Depreciation records to be kept.

The carrier shall maintain for each class of property in convenient and accessible form engineering and other data bearing on prospective service lives; and shall be prepared at any time upon direction of this Commission to compute and submit for approval, new percentage rates to take the place of those based on service lives or value of salvage deemed to be inaccurate.

The carrier also shall keep such records of depreciable property and property retirements as will reflect the service life of each class of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property.

For purposes of analysis the carrier shall maintain subsidiary records in which the reserve is broken down into component parts corresponding to each primary account showing in these records in complete detail by each primary account the current credits and debits to the reserve. Such detailed information shall be reported annually to this Commission.

§ 10.05-4 Leased property—depreciation.

The carrier shall include in operating expenses charges for depreciation on road property and equipment used but not owned, the rent for which is includible in rent for leased roads and equipment, and shall maintain the same records of service lives, salvage values, etc., as provided for owned road property and equipment. The excess of the total compensation paid over the amount chargeable for depreciation shall be included in the rent account. If settlement between the carrier and the lessor is not currently made, the amount of the depreciation accrued during the period of the lease shall be credited by the carrier to account 785, Accrued Depreciation—Leased Property. The necessary adjustments of the difference between the balance thus accrued in that account and the actual amount of settlement shall appropriately be made through account 519, Miscellaneous Income, 551, Miscellaneous Income Charges, or retained income, at the time settlement for depreciation on the property is made with the lessor.

The carrier shall not include in the depreciation account in operating expenses any charges for depreciation of equipment used but not owned when the rents therefor are included in the rent for equipment and joint facility rent accounts.

§ 10.05-5 Jointly used property—depreciation.

The owning carrier shall include in the depreciation accounts in operating expenses the charges for depreciation on units of depreciable property jointly used with one or more other carriers.

NOTE: The owning carrier shall credit and each using carrier shall charge the appropriate joint facility accounts in operating expenses with the amounts billed by the owning carrier against each using carrier for its proportion of the service loss on property retired from service whether billed currently as depreciation or when retirements occur as the loss in service value. The using carriers shall be required to account for depreciation or retirement of units of road property jointly used but not owned only to the extent of their contract liability. The same principle shall apply to terminal companies and their nonowner tenants in accounting for depreciation accruals or retirement charges recorded in the accounts of the terminal companies.

INCOME AND BALANCE SHEET ACCOUNTS

§ 10.06-1 Current assets.

In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or are held for current use in operations, current claims against others and amounts accruing to the carrier which are subject to settlement in the ordinary course of business within one year. There shall not be included in this group of accounts any item the collection of which is not reasonably assured within one year by the known financial condition of the debtor. Such items shall be included in account 741, Other Assets, at an amount not in excess of a reasonable estimate of future value. Items of current character but of doubtful value previously credited to operating revenue, operating expense, income or other accounts shall be written down or written off by charging those accounts. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 741, Other Assets.

§ 10.06-2 Book value of securities owned.

The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consideration given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the ledger value of any securities to the extent of impairment in their value or write off entirely if there is no reasonable prospect of realizing any value therefrom. Fluctuations in market value shall not be recorded. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. Carriers may create reserves to provide for depreciation in the value of securities by credits to account 723, Reserve for Adjustment of Investment in Securities.

The amount of the adjustment for the loss in value written off shall be charged to account 551, Miscellaneous Income Charges, or to retained income, as appropriate.

Under no circumstances shall securities be stated in these accounts at an amount in excess of their cost to the accounting company.

§ 10.06-3 Discount, expense, and premium on debt.

Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. (For explanation of "subclass" see account 765, Funded Debt Unmatured.) The net debit balances remaining in these ledger accounts shall be included in account 742, Unamortized Discount on Long-term Debt, and the total of the net credit balances in account 783, Unamortized Premium on Long-term Debt.

Each fiscal period there shall be charged to income account 548, Amortization of Discount on Funded Debt, a proportion on a consistent basis of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 517, Release of Premiums on Funded Debt, a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed \$25,000, carriers may charge the entire amount to account 548, Amortization of Discount on Funded Debt, at time of issue.

When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in the accounts containing discount, expense and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to account 519, Miscellaneous Income, account 551, Miscellaneous Income Charges, or to retained income. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

§ 10.06-4 Discount, premium, and assessment on capital stock.

Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the sale or resale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

The total of net debit balances in these ledger accounts shall be included in account 793, Discount on Capital Stock, and the total of net credit balances in account 794, Premiums and Assessments on Capital Stock.

Discount on each subclass of capital stock may be offset or reduced by charges to account 794, Premiums and Assessments on Capital Stock, to the extent that net gains from premiums or assessments have been included therein or to account 795, Paid-in Surplus, to the extent that net gains from reacquisition

and resale or retirement of capital stock applicable to such subclass have been included therein. Any remaining discount may be amortized by charge to account 616, Other Debits to Retained Income, or may be retained and carried in account 793, Discount on Capital Stock, until the stock to which the discount applies is retired.

In case the accounting company is permitted and elects with the approval of the Commission, to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to account 795, Paid-in Surplus.

When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders, and is not canceled, or held as treasury stock, it shall be charged at its par value or if stock without par value at the proportionate amount at which the particular class of stock is included in account 791, Capital Stock Issued, to account 715, Sinking Funds; 716, Capital and Other Reserve Funds; 717, Insurance and Other Funds; as may be appropriate.

The difference between the amount at which such reacquired stock was recorded in account 791, Capital Stock Issued, and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 794, Premiums and Assessments on Capital Stock, or in account 793, Discount on Capital Stock, and the commissions and expense in connection with its reacquisition shall be included in account 795, Paid-in Surplus; *Provided, however*, That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 616, Other Debits to Retained Income.

When reacquired capital stock is resold the difference between the net sale price and the amount at which carried as treasury stock shall be included in account 795, Paid-in Surplus; *Provided, however*, That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 616, Other Debits to Retained Income.

§ 10.06-5 Joint liabilities.

The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with § 10.06-6 Contingent assets and liabilities.

§ 10.06-6 Contingent assets and liabilities.

Contingent assets and liabilities shall not be included in the body of the bal-

ance-sheet statement, but shall be shown in a supplementary statement to the balance sheet. Contingent assets are those without value to the accounting company until the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet. Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes, guarantees of indebtedness of others, and agreements or obligations to repurchase securities or property. Where the outcome is reasonably foreseeable, such as probable tax assessment which the carrier may not reasonably expect to contest successfully, such liabilities are to be reflected in the accounts and are not to be treated as contingent liabilities.

PROPOSED REVISIONS IN THE TEXTS OF SEVERAL ACCOUNTS (CONSISTENT WITH PROPOSED GENERAL REVISIONS IN THE TEXTS OF THE ACCOUNTING INSTRUCTIONS)

1. In § 10.50 *Equipment*, cancel the second paragraph and all succeeding paragraphs of the text and retain only the first paragraph.

2. In § 10.101 *Freight*, add the following paragraphs to the text:

This account shall include collections in excess of tariff charges, except where such amounts are segregated and held subject to refund. Charges found to be uncollectible on shipments for which service has been rendered shall be charged to this account.

Proceeds derived from the sale of unclaimed and refused freight which has been transported in accordance with the contract of shipment shall be credited to this account. Uncollected tariff charges on such shipments shall be charged to this account.

3. In § 10.130 *Incidental*, eliminate the following clause from the text: "for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses".

4. In § 10.133 *Station, train and boat privileges*, eliminate the following clause from the text: "and when the expenses incurred by the carrier in connection therewith are not separable from its regular operating expenses".

5. In § 10.142 *Rents of buildings and other property*, eliminate the following clause and also the related note from the text: "and the expenses of maintaining and operating the rented portion cannot be separated from the expenses of that portion used by the carrier."

6. In § 10.510 *Miscellaneous rent income*, cancel the number, text and notes.

7. In § 10.543 *Miscellaneous rents*, cancel Note B and substitute the following as Note B:

NOTE B: If property, the rent of which is chargeable to this account, is sublet to others the rent from the sublease shall be credited to the appropriate rent income account depending on the classification of the property as transportation or nontransportation in

the same manner as property owned by the carrier.

8. In § 10.532 *Railway tax accruals*, delete the clause following the semicolon at the close of the first paragraph which reads: "also taxes for issuing and recording mortgages and trust deeds and for issuing bonds or other evidence of long-term debt."

9. In § 10.613 *Loss on sale or retirement of property*, cancel the present text and substitute the following text:

This account shall include the loss on sale or retirements of land and on non-transportation property, for which depreciation reserve has not been provided, when such loss is material in relation to net income for the year. (See § 10.01-2 and account 551, "Miscellaneous Income Charges.") This account also shall include loss on sale or retirement of transportation property, for which depreciation reserve has not been provided, when so authorized under the provisions in § 10.02-9.

10. In § 10.712 *Material and supplies*, add the following paragraphs to the text:

Material and supplies shall be credited to this account and charged to the appropriate operating expense or other account on the basis of actual cost, average cost, or other recognized pricing system, provided that such system is consistently applied and is based on the cost of such materials and supplies.

Material recovered in connection with maintenance or the retirement and dismantling of road structures or equipment and held for reuse or sale shall be included in this account as follows:

Reusable material such as rails, equipment parts and similar large individual items shall be included in this account at ledger value (estimated, if necessary) less a fair allowance for depreciation. The cost of repairing or reconditioning such items for reuse shall be charged to the maintenance account appropriate for such material.

Reusable material consisting of relatively small items shall be included in this account at current prices new for such items less a fair deduction for secondhand condition.

Scrap and nonusable material shall be included in this account at the estimated amount realizable from the material. The difference between the amount at which such material is carried in this account and the amount realized from sale shall be included in the accounts to which the material was credited when it was recovered.

11. In § 10.732 *Improvements on leased property*, cancel the second and third paragraphs of the text and retain the first and fourth paragraphs and also Notes A and B.

12. In § 10.735 *Accrued depreciation—road and equipment*, delete paragraph (b) of the text and substitute the following paragraph:

(b) The service value of each unit of property retired and also of each minor item (less than a unit) retired and not replaced for which depreciation reserve

has been established shall be charged to this account.

13. In § 10.743 *Other deferred charges*, cancel the second paragraph of the text and also the four paragraphs in the text designated (a), (b), (c), and (d), and continue in the text only the first paragraph.

14. In § 10.759 *Accrued accounts payable*, cancel the note to the text which

provides for exclusion from this account of carrier's estimate of liability in respect of revenue overcharges, injuries to persons, and loss and damage claims; and retain the text otherwise without change.

15. In § 10.764 *Equipment obligations and other debt due within one year*, in the text of this account, as prescribed in the Commission's order of November

20, 1957, cancel the clause "for which arrangements for refunding have not been made or for which no sinking funds have been provided," and substitute the following: "obligations which are to be called or otherwise acquired within one year pursuant to sinking fund provisions."

[F.R. Doc. 60-10128; Filed, Oct. 27, 1960; 8:47 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Foreign Assets Control

IMPORTATION OF CERTAIN MERCHANDISE DIRECTLY FROM BELGIUM AND TAIWAN

Available Certifications by the Governments of Belgium and the Republic of China

1. Notice is hereby given that certificates of origin issued by the Ministry of Economic Affairs of the Government of Belgium under procedures agreed upon between that government and the Foreign Assets Control are now available with respect to the importation into the United States directly, or on a through bill of lading, from Belgium of the following commodity:

Cashmere Nails

2. Notice is hereby given that certificates of origin issued by the Ministry of Economic Affairs of the Republic of China under procedures agreed upon between that government and the Foreign Assets Control are now available with respect to the importation into the United States directly, or on a through bill of lading from Taiwan (Formosa) of the following additional commodity:

Peanuts, dried and salted

[SEAL] MARGARET W. SCHWARTZ,
Acting Director,
Foreign Assets Control.

[F.R. Doc. 60-10132; Filed, Oct. 27, 1960;
8:48 a.m.]

DEPARTMENT OF THE INTERIOR

Office of the Secretary

DISTRICTS I-IV

Imports of Crude Oil, Unfinished Oils, and Finished Products Other Than Residual Fuel Oil To Be Used as Fuel

Presidential Proclamation 3279, as amended, prescribed a maximum level of imports into Districts I-IV of crude oil, unfinished oils, and finished products other than residual fuel oil to be used as fuel. This notice sets out a proposal for adjustments in that import level. Such adjustments would require an amendment of Proclamation 3279 and it is contemplated that an appropriate recommendation will be made to the President in this regard.

The proposed adjustments, which are set forth below, would take account of (1) imports of residual fuel oil into Districts I-IV in excess of the amount imported during the corresponding period in the year 1957; (2) transfers of crude oil, unfinished oils, and finished products other than residual fuel oil to be used as

fuel into Districts I-IV from District V in excess of such transfers in 1958 and (3) amounts by which estimates of the Bureau of Mines exceeded or fell short of actual performance for a particular period.

No changes would be made with respect to District V.

Interested persons may submit to the Administrator, Oil Import Administration, Department of the Interior, Washington 25, D.C., written comments, suggestions, or objections respecting the proposed amendments. Such comments must be submitted on or before November 14, 1960.

ELMER F. BENNETT,
Acting Secretary of the Interior.

OCTOBER 27, 1960.

PROPOSED ADJUSTMENTS

In Districts I-IV the maximum level of imports of crude oil, unfinished oils, and finished products other than residual fuel oil to be used as fuel shall be approximately the amount equal to the arithmetical product, adjusted as provided in this paragraph, of the total demand in these districts as estimated by the Bureau of Mines for periods fixed by the Secretary of the Interior multiplied by 9 percent. The arithmetical product which results by multiplying total demand estimated for an allocation period by 9 percent shall (i) be reduced by an amount equal to 30 percent of the amount by which imports into Districts I-IV of residual fuel oil to be used as fuel during the allocation period (for imports of crude oil and unfinished oils) most recently ended exceeded imports into these districts of residual fuel oil used as fuel during the corresponding period in the year 1957, (ii) be reduced by the amount by which the quantities of crude oil, unfinished oils, and finished products other than residual fuel oil to be used as fuel shipped from District V to Districts I-IV during the allocation period described in clause (i) of this paragraph exceeded the quantities so shipped during the corresponding period in the year 1958, and (iii) be increased or decreased by 9 percent of the amount by which the estimated total demand for the allocation period described in clause (i) of this paragraph fell short of or exceeded the actual total demand for that allocation period.

[F.R. Doc. 60-10214; Filed, Oct. 27, 1960;
11:35 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

CERTIFICATES AUTHORIZING EMPLOYMENT OF LEARNERS AT SPECIAL MINIMUM RATES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended,

29 U.S.C. 201 et seq.), the regulations on employment of learners (29 CFR Part 522), and Administrative Order No. 524 (24 F.R. 9274) the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the Act. The effective and expiration dates, occupations, wage rates, number or proportion of learners, learning periods, and the principal product manufactured by the employer for certificates issued under general learner regulations (§§ 522.1 to 522.11) are as indicated below. Conditions provided in certificates issued under special industry regulations are as established in these regulations.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.20 to 522.24, as amended).

The following learner certificates were issued authorizing the employment of 10 percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Adam H. Bartel Co., Richmond, Ind.; effective 10-14-60 to 10-13-61 (denim overalls and dungarees).

Michael Berkowitz Co., Inc., Barton Mill Road, Uniontown, Pa.; effective 10-28-60 to 10-27-61 (men's, ladies' and children's pajamas).

Blue Ridge Shirt Manufacturing Co., Fayetteville, Tenn.; effective 10-25-60 to 10-24-61 (men's and boys' sport shirts).

J. H. Bonck Co., Inc., 1100 South Jefferson Davis Parkway, New Orleans, La.; effective 10-26-60 to 10-25-61 (men's cotton twill shirts, men's and boys' woven fabric sport shirts).

Carbondale Children's Dress Co., 30 Seventh Avenue, Carbondale, Pa.; effective 10-26-60 to 10-25-61 (children's and girls' dresses and playsuits).

Decherd Franklin Co., Inc., Decherd, Tenn.; effective 10-15-60 to 10-14-61 (men's single slacks).

Henson Garment Co., 246 Oconee Street, Athens, Ga.; effective 10-12-60 to 10-11-61 (men's work pants, shirts and jackets).

Hicks-Hayward Co., Del Rio, Tex.; effective 10-21-60 to 10-20-61 (men's and boys' wash slacks and work clothing).

Key Work Clothes of Missouri, Nevada, Mo.; effective 11-1-60 to 10-31-61 (work pants and shirts).

Luvern Slacks Co., Inc., Luverne, Ala.; effective 10-19-60 to 10-18-61 (men's cotton and synthetic slacks).

M. & G. Sportswear, Inc., Union Mill Number 2, Fall River, Mass.; effective 10-11-60 to 10-10-61 (children's outerwear).

Meyers & Son Manufacturing Co., Inc., First and Jefferson Streets, Madison, Ind.; effective 10-9-60 to 10-8-61 (men's one-piece work suits, work aprons).

Penn Children's Dress Co., 831 Lackawanna Avenue, Mayfield, Pa.; effective 10-26-60 to 10-25-61 (children's and girls' dresses and playsuits).

Regal Shirt Corp., 125 Center Street, Millersburg, Pa.; effective 10-26-60 to 10-25-61 (men's dress and sport shirts).

Regal Shirt Corp., Second and Pine Streets, Catawissa, Pa.; effective 10-21-60 to 10-20-61 (men's sport shirts).

Reliance Manufacturing Co., No. 40, Central Street, Water Valley, Miss.; effective 10-14-60 to 10-13-61 (men's and boys' Ivy League pants).

Rob Roy Co., Inc., Ridgely, Md.; effective 10-14-60 to 10-13-61; no learners may be employed in the production of swim trunks (boys' shirts).

Sampson Sewing Co., Railroad Street, Clinton, N.C.; effective 10-17-60 to 10-16-61 (women's and children's sportswear).

Trend Trousers, Inc., La Crosse, Ind.; effective 10-14-60 to 10-13-61 (men's dress trousers).

Washington Overall Manufacturing Co., South Court & Maple Streets, Scottsville, Ky.; effective 10-26-60 to 10-25-61 (men's and boys' trousers).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

Glenn Berry Manufacturers, Inc., 126 North River Street, Commerce, Okla.; effective 10-17-60 to 10-16-61; 10 learners (men's work pants, boys' denim pants).

Park Avenue Fashions, 62 Lee Park Avenue, Wilkes-Barre, Pa.; effective 10-17-60 to 3-27-61; 6 learners (replacement certificate) (women's blouses).

Rene-Lee Manufacturing Co., 112-116 West Catawissa Street, Nesquehoning, Pa.; effective 10-12-60 to 9-11-61; 5 learners (children's dresses).

Rob Roy Co., Inc., Vienna, Md.; effective 10-21-60 to 10-20-61; 10 learners (boys' shirts).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

Glenn Berry Manufacturers, Inc., 126 North River Street, Commerce, Okla.; effective 10-17-60 to 4-16-61; 10 learners (men's work pants, boys' denim pants).

Edmeston Dress Co., Inc., Edmeston, N.Y.; effective 10-14-60 to 4-13-61; 50 learners (dresses).

Mar-Bax Shirt Co., Inc., Cassville, Ark.; effective 10-13-60 to 4-12-61; 200 learners (men's dress and sport shirts).

Sampson Sewing Co., Railroad Street, Clinton, N.C.; effective 10-17-60 to 4-16-61; 30 learners (women's and children's sportswear).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.40 to 522.44, as amended).

Charles H. Bacon Co., Inc., Loudon, Tenn.; effective 10-17-60 to 10-16-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (full-fashioned, seamless).

Mary Grey Hosiery Mills, Bristol, Va.; effective 10-31-60 to 10-30-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (full-fashioned, seamless).

Ridgeview Hosiery Mill Co., Newton, N.C.; effective 10-24-60 to 10-23-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (full-fashioned, seamless).

Wyatt Knitting Co., 1006 Goldsboro Avenue, Sanford, N.C.; effective 10-15-60 to 10-14-61; 5 learners for normal labor turnover purposes (full-fashioned, seamless).

Knitted Wear Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.30 to 522.35, as amended).

The B.V.D. Co., Inc., 901 North Downing Street, Piqua, Ohio; effective 10-11-60 to 10-10-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (tee and athletic shirts, briefs).

Beltex Corp., Main Street, Belmont, N.C.; effective 10-14-60 to 10-13-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (men's and boys' cotton knitted T-shirts and briefs).

Lacy Manufacturing Co., Inc., 901 Adele Street, Martinsville, Va.; effective 10-17-60 to 4-16-61; 10 learners for plant expansion purposes (men's and boys' sport jackets, swim trunks).

Roanoke Mills, Inc., 505 Sixth Street SW., Roanoke, Va.; effective 10-17-60 to 10-16-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (knitted underwear, sportswear, sleepwear).

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.11, as amended).

Pattonsburg Manufacturing Co., Pattonsburg, Mo.; effective 10-18-60 to 4-17-61; 5 percent of the total number of factory production workers for normal labor turnover purposes in the occupation of sewing machine operator for a learning period of 240 hours at the rate of 90 cents an hour (hats and caps).

Stanberry Manufacturing Co., Stanberry, Mo.; effective 10-18-60 to 4-17-61; 5 percent of the total number of factory production workers for normal labor turnover purposes in the occupation of sewing machine operator for a learning period of 240 hours at the rate of 90 cents an hour (hats and caps).

Each learner certificate has been issued upon the representations of the employer which, among other things, were that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 522.9.

Signed at Washington, D.C., this 19th day of October 1960.

ROBERT G. GRONEWALD,
Authorized Representative of the
Administrator.

[F.R. Doc. 60-10118; Filed, Oct. 27, 1960; 8:46 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-174]

PENNSYLVANIA STATE UNIVERSITY

Notice of Application for Utilization Facility License

Please take notice that The Pennsylvania State University, under section 104c of the Atomic Energy Act of 1954, as amended, has submitted an application for a license to possess, but not to

operate at this time, the four megawatt nuclear research reactor at Quehanna, Pennsylvania, which is currently owned by the Curtiss-Wright Corporation and previously operated under License No. R-36. This reactor will be given to the University upon the issuance of this license. A copy of the application is available for public inspection in the AEC Public Document Room, located at 1717 H Street NW., Washington, D.C.

Dated at Germantown, Md., this 21st day of October 1960.

For the Atomic Energy Commission.

H. L. PRICE,
Director, Division of
Licensing and Regulation.

[F.R. Doc. 60-10107; Filed, Oct. 27, 1960; 8:45 a.m.]

[Docket No. 50-139]

UNIVERSITY OF WASHINGTON

Notice of Proposed Issuance of Facility License

Please take notice that, unless within fifteen days after the filing of this notice with the Office of the Federal Register a request for a formal hearing is filed with the United States Atomic Energy Commission by the licensee or an intervenor as provided by the Commission's rules of practice (Title 10, Chapter I, Part 2), the Commission proposes to issue to University of Washington, Seattle, Washington, a facility license substantially as set forth below authorizing the possession and operation on the University's campus of an Argonaut-type nuclear reactor at power levels up to 10 kilowatts (thermal). Prior to issuance of the license the reactor will be inspected by representatives of the Commission to determine whether it has been constructed in accordance with the provisions of Construction Permit No. CRR-40, as amended. Petitions for leave to intervene and requests for a formal hearing shall be filed by mailing a copy to the Office of the Secretary, Atomic Energy Commission, Washington 25, D.C., or by delivery of a copy in person to the Office of the Secretary, Germantown, Maryland, or the AEC's Public Document Room, 1717 H Street NW., Washington, D.C.

For further details see (1) the application submitted by University of Washington and amendments thereto, and (2) a hazards analysis prepared by the hazards evaluation staff of the Division of Licensing and Regulation, both on file at the AEC's Public Document Room. A copy of item (2) above may be obtained at the AEC's Public Document Room or upon request addressed to the Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of Licensing and Regulation.

Dated at Germantown, Md., this 21st day of October 1960.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director,
Division of Licensing and Regulation.

PROPOSED FACILITY LICENSE

1. This license applies to the Argonaut-type nuclear reactor (hereinafter referred to as "the reactor") which is owned by University of Washington and located on the University's campus in Seattle, Washington, and described in the University's application for license dated June 1, 1959, and amendments thereto dated July 16, 1959, August 28, 1959, June 21, 1960, and September 1, 1960 (hereinafter collectively referred to as "the application") and authorized for construction by Construction Permit No. CPRR-40 issued to University of Washington.

2. Pursuant to the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act"), and having considered the record in this matter, the Atomic Energy Commission (hereinafter referred to as "the Commission") finds that:

A. The reactor has been constructed in conformity with Construction Permit No. CPRR-40, as amended, and will operate in conformity with the application and in conformity with the Act and the rules and regulations of the Commission;

B. There is reasonable assurance that the reactor can be operated at the designated location without endangering the health and safety of the public;

C. University of Washington is technically and financially qualified to operate the reactor, to assume financial responsibility for payment of Commission charges for special nuclear material and to undertake and carry out the proposed activities in accordance with the Commission's regulations;

D. The possession and operation of the reactor and the receipt, possession and use of the special nuclear material in the manner proposed in the application will not be inimical to the common defense and security or to the health and safety of the public; and

E. University of Washington is a nonprofit educational institution and will use the reactor for the conduct of educational activities. University of Washington is therefore exempt from the financial protection requirement of subsection 170a of the Act.

3. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses University of Washington:

A. Pursuant to section 104c of the Act and Title 10, CFR, Chapter I, Part 50, "Licensing of Production and Utilization Facilities", to possess and operate the reactor as a utilization facility at the designated location in Seattle, Washington in accordance with the procedures and limitations described in the application and this license;

B. Pursuant to the Act and Title 10, CFR, Chapter I, Part 70, "Special Nuclear Material", to receive, possess and use in connection with operation of the reactor 32 grams of plutonium contained in plutonium-beryllium neutron sources and up to four kilograms of contained uranium 235;

C. Pursuant to the Act and Title 10, CFR, Chapter I, Part 30, "Licensing of Byproduct Material", to possess but not to separate such byproduct material as may be produced by operation of the reactor.

4. This license shall be deemed to contain and be subject to the conditions specified in § 50.54 of Part 50 and § 70.32 of Part 70, Title 10, Chapter I, CFR, and to be subject to all applicable provisions of the Act, and to the rules and regulations and orders of the Commission, now or hereafter in effect, and to the additional conditions specified below:

A. University of Washington shall not operate the reactor at power levels in excess of 10 kilowatts (thermal) without prior written authorization from the Commission.

B. No experiment other than those described in the license application amendment dated September 1, 1960, shall be conducted

in the reactor without prior written authorization from the Commission.

C. In addition to those otherwise required under this license and applicable regulations, University of Washington shall keep the following records:

1. Reactor operating records, including power levels.

2. Records of in-pile irradiations.

3. Records showing radioactivity released or discharged into the air or water beyond the effective control of University of Washington as measured at the point of such release or discharge.

4. Records of emergency reactor scrams, including reasons for emergency shutdowns.

D. University of Washington shall immediately report to the Commission in writing any indication or occurrence of a possible unsafe condition relating to the operation of the reactor.

5. Pursuant to § 50.60 of the regulations in Title 10, CFR, Chapter I, Part 50, the Commission has allocated, in Construction Permit No. CPRR-40, to University of Washington for use in connection with operation of the reactor, four kilograms of uranium 235 contained in highly enriched uranium and 32 grams of plutonium contained in plutonium-beryllium neutron sources.

6. This license is effective as of the date of issuance and shall expire at midnight October 13, 1969.

For the Atomic Energy Commission.

[F.R. Doc. 60-10108; Filed, Oct. 27, 1960; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 11842]

AIR-INDIA INTERNATIONAL

Notice of Change of Date of Prehearing Conference

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, that the prehearing conference in the above-entitled proceeding now assigned to be held on October 25, 1960, is hereby postponed to November 3, 1960, at 10:00 a.m. e.s.t., in Room 803, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Walter W. Bryan.

Dated at Washington, D.C., October 24, 1960.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 60-10133; Filed, Oct. 27, 1960; 8:48 a.m.]

[Docket 11654]

AIR LINE PILOTS ASSOCIATION AND SOUTHERN AIRWAYS, INC.

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that hearing in the above-entitled matter is assigned to be heard on November 15, 1960, at 10:00 a.m., e.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner William Cusick.

Dated at Washington, D.C., October 25, 1960.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 60-10134; Filed, Oct. 27, 1960; 8:48 a.m.]

[Docket 11715]

PANAMA AERONAUTICA, S.A.

Notice of Hearing

In the matter of the application of Panama Aeronautica, S.A., for a foreign air carrier permit under section 402 of the Federal Aviation Act of 1958.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that hearing in the above-entitled proceeding is assigned to be held on November 10, 1960, at 10:00 a.m., e.s.t., in Room 701, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Richard A. Walsh.

Dated at Washington, D.C., October 25, 1960.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 60-10135; Filed, Oct. 27, 1960; 8:48 a.m.]

[Docket 11042 etc.]

WYOMING-SOUTH DAKOTA-CHICAGO AIR SERVICE INVESTIGATION

Notice of Hearing

In the matter of the investigation of the need for service between points in Wyoming and South Dakota, and Chicago, Illinois, and the renewal of the authority of Braniff Airways, Inc. to engage in air transportation over segment 4 of route 26.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that public hearing in the above-entitled proceeding is assigned to be held on November 15, 1960, at 10:00 a.m., m.s.t., in the ballroom of the Sheraton-Johnson Hotel, Rapid City, South Dakota, before Examiner Richard A. Walsh. Upon conclusion of the Rapid City session the hearing will reconvene on December 5, 1960, at 10:00 a.m., e.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C.

For further details with respect to the issues involved in this proceeding, interested persons are referred to the documents filed by the parties herein, the Examiner's report of prehearing conference served August 4, 1960, and to the orders and notices issued herein, all of which are on file with the Docket Section, Civil Aeronautics Board.

Notice is further given that any person other than parties of record desiring to be heard in this proceeding shall file with the Board on or before November 8, 1960, a statement setting forth the issues of fact or law raised by this proceeding which he desires to controvert.

Dated at Washington, D.C., October 25, 1960.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 60-10136; Filed, Oct. 27, 1960;
8:48 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13778; FCC 60M-1811]

DONIPHAN TELEPHONE CO. ET AL.

Order Continuing Hearing

In the matter of Doniphan Telephone Company, petitioner v. American Telephone and Telegraph Company and Southwestern Bell Telephone Company, respondents; Docket No. 13778.

The Hearing Examiner having under consideration a motion filed October 14, 1960, on behalf of Southwestern Bell Telephone Company, requesting that a prehearing conference be held on December 5, 1960, and the date of the evidentiary hearing now scheduled for November 14, 1960 be continued to January 16, 1961; and

It appearing that the reason for the requested continuance is the fact that counsel for Southwestern Bell Telephone Company has prior commitments which conflict with the presently scheduled date of November 14, 1960; and

It further appearing that counsel for the other parties have consented to the grant of this motion and good cause for the requested continuance having been shown;

It is ordered, This the 21st day of October 1960, that the motion for continuance is granted and the evidentiary hearing now scheduled for November 14, 1960 is continued to January 16, 1961; and

It is further ordered, Pursuant to § 1.111 of the Commission's rules, that a prehearing conference in the above-entitled proceeding will be held on Monday, December 5, 1960, beginning at 10:00 a.m. in the offices of the Commission, Washington, D.C.

Released: October 21, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10145; Filed, Oct. 27, 1960;
8:49 a.m.]

[Docket Nos. 13805-13807; FCC 60M-1812]

KOMY, INC., ET AL.

Order Cancelling Hearing

In re applications of KOMY, Inc., Watsonville, California, Docket No. 13805, File No. BPH-2942; G. Stuart Nixon, San Jose, California, Docket No. 13806, File No. BPH-2961; Franklin Mieuli (KHIP), San Francisco, California, Docket No. 13807, File No. BPH-3075; for construction permits (FM).

The Hearing Examiner having under consideration a change in the date for commencement of hearing;

It appearing that a prehearing conference was held on October 20, 1960, at which time a schedule was agreed upon for the proceeding, thus necessitating a change in the previously established date for hearing of November 7;

Therefore, it is ordered, This 20th day of October 1960, that the date of November 7 for commencement of hearing is cancelled and a new date will be established at a second prehearing conference to be held on December 16, 1960.

Released: October 24, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10146; Filed, Oct. 27, 1960;
8:49 a.m.]

[Docket No. 13825; FCC 60-1256]

KRNO, INC.

Order Designating Application for Hearing on Stated Issues

In re application of KRNO, INC. (KRNO), San Bernardino, California, Docket No. 13825, File No. BP-12993; has: 1240kc, 250w, U; requests: 1240kc, 250w, 1kw-LS, U (250w when KPCC operates) for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 20th day of October 1960;

The Commission having under consideration the above-captioned and described application;

It appearing, that, except as indicated by the issues specified below, the instant applicant is legally, technically, financially, and otherwise qualified to construct and operate the instant proposal; and

It further appearing, that, pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated August 9, 1960, and incorporated herein by reference, notified the applicant, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of the application would serve the public interest, convenience and necessity; and that a copy of the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing, that the applicant filed a timely reply to the aforementioned letter, which reply has not, however, entirely eliminated the grounds and reasons precluding a grant of the application and requiring an evidentiary hearing on the particular issues herein-after specified; and

It further appearing, that, after consideration of the foregoing and the applicant's reply, the Commission is still unable to make the statutory finding that a grant of the application would serve the public interest, convenience and necessity; and is of the opinion that the

application must be designated for hearing on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant application is designated for hearing, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station KRNO and the availability of other primary service to such areas and populations.

2. To determine whether the instant proposal of Station KRNO would involve objectionable interference with Stations KRKS, Ridgecrest, California and KSON, San Diego, California, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

3. To determine, in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the instant application would serve the public interest, convenience and necessity.

It is further ordered, That, Gilson Broadcasting, Inc., and Broadmoor Broadcasting Corp., licensees of Stations KRKS and KSON, respectively, are made parties to the proceeding.

It is further ordered, That, in the event of a grant of the instant proposal, permittee shall accept such interference as may be imposed by other existing Class IV stations in the event they are subsequently authorized to increase power to 1000 watts.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and parties respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

Released: October 25, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10147; Filed, Oct. 27, 1960;
8:50 a.m.]

[Docket No. 13540 etc.; FCC 60M-1805]

**MACON BROADCASTING CO. (WNEX)
ET AL.**

Order Continuing Hearing Conference

In re applications of Macon Broadcasting Company (WNEX), Macon, Georgia, Docket No. 13540, File No. BP-12261; et al., Docket Nos. 13541, 13543, 13544, 13545, 13546; for construction permits.

The Hearing Examiner having under consideration petition filed by John F. Pidcock and Roy F. Zess, d/b as Radio Station WMGA, on October 19, 1960, re-

questing continuance of the prehearing conference scheduled herein;

It appearing, that all participating applicants and respondents join in the request and that the Commission's Broadcast Bureau has informally consented to immediate consideration and grant of the petition;

It is ordered, This 20th day of October 1960, that the above petition is granted; and the prehearing conference, now scheduled for October 24, 1960, is continued without date pending the filing and resolution of the proposed joint petition for reconsideration and grants without hearing of the various applications in this proceeding.

Released: October 21, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10148; Filed, Oct. 27, 1960;
8:50 a.m.]

[Docket Nos. 13820, 13821; FCC 60M-1813]

M AND W CO. AND BETHANY BROADCASTING CO.

Order Scheduling Prehearing Conference

In re applications of Robert R. Moore and Kenneth Williams, Jr., d/b as M and W Company, Yakima, Washington, Docket No. 13820, File No. BP-12766; Rev. L. R. White, tr/as Bethany Broadcasting Company, Yakima, Washington, Docket No. 13821, File No. BP-12832; for construction permits.

It is ordered, This 20th day of October 1960, that a prehearing conference, pursuant to § 1.111 of the Commission's rules, will be held in the above-entitled matter at 10:00 a.m., November 4, 1960, in the Commission's offices in Washington, D.C.

Released: October 24, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10149; Filed, Oct. 27, 1960;
8:50 a.m.]

[Docket No. 13765; FCC 60M-1815]

PEOPLES BROADCASTING CORP.

Order Continuing Hearing

In re application of Peoples Broadcasting Corporation, Trenton, New Jersey, Docket No. 13765, File No. BPH-3059; for construction permit (FM).

Pursuant to agreements reached by counsel for all parties at the prehearing conference held on this date, and as fully explained on the record thus made,

It is ordered, This 21st day of October 1960, that the following dates for procedural steps shall govern in this proceeding:

Exchange of applicant's preliminary drafts of all exhibits ----- Nov. 21, 1960

Exchange of applicant's final sworn exhibits with copies to the Hearing Examiner.--- Dec. 6, 1960
Notification of witnesses desired for cross-examination and possible rebuttal evidence ----- Dec. 13, 1960
Commencement of hearing.--- Dec. 20, 1960

It is further ordered, That the hearing presently scheduled herein to commence on November 4, 1960, is continued to 10:00 a.m., December 20, 1960.

Released: October 24, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-10150; Filed, Oct. 27, 1960;
8:50 a.m.]

[Docket No. 6517; FCC 60-1267]

WESTERN UNION TELEGRAPH CO. AND POSTAL TELEGRAPH, INC.

Order Designating Application for Hearing on Stated Issues

In the matter of the application for merger of The Western Union Telegraph Company and Postal Telegraph, Inc.; Docket No. 6517.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 21st day of October 1960;

The Commission having under consideration:

(a) A petition filed jointly on September 28, 1960, by The Western Union Telegraph Company (Western Union) and American Securities Corporation (American Securities) wherein it is requested that the Commission make the findings required by the Communications Act of 1934 (Act), including subsection 222(c) (2) under which Western Union is required to divest its international telegraph operations, and enter such order or orders as may be required by law so that there may be consummation of an Agreement (a copy of which was annexed to the petition) between Western Union and American Securities contemplating such divestment;

(b) The aforementioned Agreement between Western Union and American Securities, entered into on September 15, 1960, and filed with the Commission on that date to comply with the memorandum opinions and orders herein released July 12, 1960,¹ and August 8, 1960,² as amended by order released August 30, 1960;³

(c) The Commission's report and order herein dated September 27, 1943,⁴ wherein the merger of Western Union and Postal Telegraph, Inc. was approved, and wherein jurisdiction was retained over the matter of divestment by Western Union of its international telegraph operations for the purpose of any action which may appear necessary and appropriate in order to effectuate the requirements of such subsection 222(c) (2) of the Act;

(d) The Commission's final decision, released July 10, 1958, in Divestment of Western Union;⁵

(e) The opinion of the United States Court of Appeals for the Second Circuit on petition of Western Union to set aside the order in the above final decision, remanding the matter to the Commission for action not inconsistent with such opinion, Western Union v. United States;⁶

(f) The Commission's memorandum opinion and order released August 3, 1959, in Divestment of Western Union;⁷ and

(g) The "Formula, Pursuant to section 222(e) (1) of the Act, for the Distribution of Outbound International Traffic Handled by The Western Union Telegraph Company following Merger with Postal Telegraph, Inc." (Formula);

It appearing, that, upon review of the aforementioned petition and Agreement certain issues are raised which should be resolved on the basis of a formal hearing record;

It further appearing, that, since subsection 222(c) (2) of the Act requires, among other things, that any proposed consolidation or merger of domestic telegraph carriers shall provide for the divestment of the international telegraph operations theretofore carried on by any party to the consolidation or merger, and since as noted hereinabove, we retained jurisdiction over the matter of such divestment in our order in Docket No. 6517 approving consolidation or merger of Western Union and Postal Telegraph, Inc., the proceedings herein are a continuation of formal proceedings in that docket, and that, therefore, insofar as the proceedings herein may have adjudicatory aspects, the procedural requirements of the Communications Act Amendments, 1952, and the Administrative Procedure Act are not mandatory;

It further appearing, that, in view of the delays which have occurred between the time that divestment was first required and the time the Agreement herein was filed, the desirability of reaching a decision on the petition as quickly as possible, the time schedules set forth in the Agreement, and the negotiations of an international scope involved, due and timely execution of this Commission's functions imperatively and unavoidably require that this matter be decided by the Commission without the issuance of an initial, recommended, or tentative decision: *Provided, however*, That our reference herein to time schedules in the Agreement shall not constitute a finding that they are reasonable or that in agreeing to them Western Union fully discharged its obligation to exercise due diligence;

It is ordered, That, pursuant to section 4, 212, 214, and 222 of the Act, the Commission shall enter into a hearing and investigation to determine whether the proposed plan for divestment is in conformity with applicable law and whether the Commission should in the public interest grant the joint petition hereinabove described, and in that connection, without limiting the scope of the issues

¹ 29 FCC 76.

² 29 FCC 655.

³ 29 FCC 675.

⁴ 10 FCC 148.

⁵ 25 FCC 35.

⁶ 267 F.2d 715 (1959).

⁷ FCC 59-791.

raised thereby, such hearing shall encompass the following issues:

1. Are the provisions of the Agreement in compliance with the divestment requirement imposed on Western Union by section 222 of the Act, and the orders of the Commission referred to above, and in the public interest and, in particular, with the following provisions:

(a) Those under which Western Union is to purchase 250,000 shares of the Class B stock of WU International, having the terms, preferences, privileges, and voting rights indicated in Exhibit C attached to the Agreement;

(b) Those under which Western Union agrees that WU International shall have the right to use "Western Union" in the corporate name of WU International, and the right to the use of the trade names "Western Union Cables," "WU Cables," and similar names;

(c) Those under which Western Union agrees to make available to WU International the services of an officer of Western Union, for a period of not less than ten years, to render advisory services to WU International;

(d) Those under which it is agreed that Western Union and WU International shall enter into an agreement providing for the utilization of the domestic facilities of Western Union for the domestic handling of international traffic handled by WU International;

(e) Those under which it is agreed that Western Union and WU International shall enter into an agreement providing for the furnishing by Western Union to WU International, for a period of 10 years, of certain research and development and engineering services;

(f) Those under which it is agreed that Western Union and WU International shall enter into an agreement or agreements providing for operating and other arrangements at 26 Broadway, New York, N.Y., and elsewhere;

(g) Those contemplating other agreements including Exhibit A, insofar as it provides for leases of space by Western Union to WU International in New York, N.Y., and elsewhere; and

(h) Those relating to the acquisition of the shares of the Anglo-American Telegraph Company, Ltd., and the modification of the Anglo lease;

2. Is the consideration for the property to be divested commensurate with its value, and in this connection,

(a) The exact consideration to be received; and

(b) The exact property to be divested;

3. The extent to which any international telegraph property cannot be divested without consent or approval of the other parties and the effect that a failure to transfer any part of such property would have upon the operation of the cable property;

4. Is WU International legally, technically, and financially qualified to own and operate the divested international telegraph property in the public interest, and, in this connection,

(a) What will be the terms of its charter and bylaws;

(b) Will more than one-fifth of its capital stock be owned or controlled, or

voted, directly or indirectly, (1) by any alien or the representative of any alien, (2) by any foreign government or the representative thereof, (3) by any corporation organized under the laws of any foreign government, or (4) by any corporation of which any officer or director is an alien, or of which more than one-fifth of the capital stock is owned or controlled, or voted, directly or indirectly, by any alien or the representative of any alien, by any foreign government or the representative thereof, or by any corporation organized under the laws of a foreign government;

(c) Who are to be its directors, officers, and staff;

(d) What are its plans for maintaining, improving, and expanding its operating facilities and service;

(e) Is its proposed capital structure feasible in view of anticipated net operating revenues, anticipated debt servicing, anticipated dividend payment, anticipated debt retirement, anticipated stock retirement, and the effect of each of these on its ability to maintain, improve, and expand its operating facilities and services;

5. What will be the relationship between WU International and American Securities, and, in this connection,

(a) For whom is American Securities acting;

(b) What are the legal, technical, and financial qualifications of American Securities to own and control and operate WU International in accord with announced plans;

(c) What are the sources of the funds to be used by American Securities or its principal,

(i) To purchase the WU International senior debentures;

(ii) To purchase the WU International stock referred to in section 3.2 of the Agreement;

(iii) To fulfill the underwriting obligations referred to in section 3.4 of the Agreement;

(iv) To purchase the shares of the Anglo-American Telegraph Company, Ltd., as provided in section 3.1 of the Agreement; and

(v) To supply cash working capital, and to maintain and improve the services and facilities of WU International consistent with the requirements of the public, the government, and national defense;

6. What will be the corporate, financial and other relationships between WU International, American Securities, the entity for which American Securities is acting and the Anglo-American Telegraph Company, Ltd., or its successor;

7. Are the provisions in the Agreement providing for changes in the Formula consistent with the Commission's order for the submission of a divestment plan;

8. If so, what changes in the Formula are necessary to implement the Agreement, and will they result in a Formula which is just, reasonable, equitable, and in the public interest, and will each such change be, so far as consistent with the public interest, in accordance with the existing contractual rights of the parties to the Formula;

9. What are the exact plans and proposals of the entities which will own, con-

trol, or operate the cable system with respect to the persons presently employed in conducting the international telegraph operations of Western Union, including such matters as job security, and pension equities, as well as the continuity and funding of pension equities;

10. What are the orders, authorizations, certificates, or other instruments which are necessary to effectuate divestment, and to what entities should such orders be addressed or such authorizations or certificates or other instruments be granted;

11. Is it appropriate to require in the Agreement that Commission action take place before all of the other consents and approvals set forth in the Agreement are secured, and in this connection, what progress has been made in securing such other consents and approvals; and

12. Insofar as the Agreement is inconsistent with the divestment requirement imposed on Western Union by section 222;

(a) May the Commission prescribe changes in such Agreement to remove the inconsistencies and require Western Union to divest pursuant to such amended plan, if accepted by American Securities; and

(b) Should such power be exercised, and in what manner;

It is further ordered, That, in addition to the Petitioners, each of the entities named in the attached List A may participate in these proceedings by filing a notice of intention to do so within 10 days after the release of this order, and, in connection with such notice, each such entity which intends to participate shall state the issues with respect to which it intends to make an affirmative presentation, the name of the witness or witnesses to be presented with respect to each such issue, and the nature of the exhibits to be offered with respect to each such issue;

It is further ordered, That, this matter is designated for hearing at a time and place to be specified in a separate order, and that the presiding officer shall, without preparing either an initial or recommended decision, certify the record to the Commission for final decision; and

It is further ordered, That, proposed findings and conclusions, briefs, or memoranda of law shall be filed within twenty days after the close of the record herein, and that oral argument thereon shall be held at a time and place to be fixed by the Commission.

Released: October 24, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

List A

The Honorable, The Secretary of State, Washington 25, D.C.

The Honorable, The Attorney General, Washington 25, D.C.

Office of Civil and Defense Mobilization, Washington 25, D.C.

The Honorable, The Secretary of the Army, Washington 25, D.C.

The Honorable, The Secretary of the Navy, Washington 25, D.C.

The Honorable, The Governor of Florida.

The Honorable, The Governor of Massachusetts.
 The Honorable, The Governor of New York.
 National Association of Railroad & Utilities Commissioners, Interstate Commerce Building, Washington 25, D.C.
 American Cable & Radio Corporation, 67 Broad Street, New York 4, N.Y.
 American Communications Association, 66 Leonard Street, New York 4, N.Y.
 American Telephone and Telegraph Co., 195 Broadway, New York 7, N.Y.
 Canadian National Telegraphs, 374 Bay Street, Toronto 1, Ontario, Canada.
 Canadian Pacific Railway Co., Martin A. Meyer, Jr., Esq., 1511 K Street NW., Washington, D.C.
 Commercial Telegraphers Union, 8605 Cameron Street, Silver Spring, Maryland, Attn: W. L. Allen, International President.
 Communication Workers of America, 1925 K Street NW., Washington, D.C., Attn: Jos. A. Belrne, President.
 The French Telegraph Cable Company, 25 Broad Street, New York 4, N.Y.
 Globe Wireless Ltd., 141 Battery Street, San Francisco 11, Calif.
 Press Wireless, Inc., 660 First Avenue, New York 16, N.Y.
 RCA Communications, Inc., 66 Broad Street, New York 4, N.Y.

Tropical Radio Telegraph Co., 80 Federal Street, Boston 10, Mass.
 United States-Liberia Radio Corporation, 1200 Firestone Parkway, Akron 17, Ohio.

[F.R. Doc. 60-10151; Filed, Oct. 27, 1960; 8:50 a.m.]

[Canadian List 151]

CANADIAN BROADCAST STATIONS

List of Changes, Proposed Changes and Corrections in Assignments

SEPTEMBER 30, 1960.

Notification under the provisions of part III section 2 of the North American Regional Broadcasting agreement.

List of changes, proposed changes, and corrections in assignments of Canadian Broadcast Stations modifying appendix containing assignments of Canadian Broadcast Stations (Mimeograph No. 47214-3) attached to the Recommendations of the North American Regional Broadcasting Agreement Engineering Meeting.

CANADIAN BROADCAST STATIONS

Call letters	Location	Power kw	Antenna	Schedule	Class	Expected date of commencement of operation
VOCM (now in operation with increased nighttime power).	St. John's, Newfoundland.	590 kilocycles 10 kw-----	DA-N	U	III	
CHLT (now in operation with increased daytime power).	Sherbrooke, Province of Quebec.	630 kilocycles 10 kw D/5 kw N.	DA-2	U	III	
CKOY (PO: 1310 kc, 5 kw, D/1 kw N, DA-N).	Ottawa, Ontario-----	1510 kilocycles 50 kw-----	DA-2	U	III	EIO 9-15-61.
New-----	Valleyfield, Province of Quebec.	1570 kilocycles 1 kw-----	DA-1	U	III	EIO 9-15-61.
CFOX (PO: 1470 kc, 1 kw, DA-2).	Pointe Claire, Province of Quebec.	1470 kilocycles 5 kw-----	DA-2	U	III	EIO 9-15-61.

[SEAL]

FEDERAL COMMUNICATIONS COMMISSION,
 BEN F. WAPLE,
 Acting Secretary.

[F.R. Doc. 60-10152; Filed, Oct. 27, 1960; 8:50 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP61-52]

MICHIGAN WISCONSIN PIPE LINE CO.

Notice of Application and Date of Hearing

OCTOBER 21, 1960.

Take notice that Michigan Wisconsin Pipe Line Company (Applicant), a Delaware corporation with a principal office in Detroit, Michigan, filed an application in Docket No. CP61-52 on August 22, 1960, pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon 7,341 feet of 4½ inch lateral and a meter station with appurtenant facilities used in rendering service to Northern Illinois Gas Company (Northern Illinois), and the service rendered therefrom consisting of the

sale and delivery of natural gas to Northern Illinois for resale in the city of Earlville, Illinois, all as more fully described in the application on file with the Commission, and open to public inspection.

Applicant states it was directed in Docket No. G-13408 on April 24, 1959, to establish physical connection of its transmission facilities with those to be constructed by Northern Illinois and to sell and deliver gas to Northern Illinois for distribution in Earlville.

The application recites Northern Illinois commenced service to Earlville on September 9, 1959, pursuant to the order in Docket No. G-13408. Northern Illinois is now in the process of construction of a 30-inch transmission line from its recently developed Troy Grove Storage Field in Illinois which will pass close to Earlville and now wishes to serve

Earlville from the proposed 30-inch line in lieu of receiving service directly from Michigan Wisconsin which proposed rearrangement will give Northern Illinois control over the direct source of supply for Earlville and will enable it to serve Earlville at reduced rates.

Applicant states the abandonment would not adversely affect it since it can sell the relatively small volume of its other existing customers.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations, and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on November 30, 1960, at 9:30 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before November 25, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

JOSEPH H. GUTRIE,
 Secretary.

[F.R. Doc. 60-10115; Filed, Oct. 27, 1960; 8:46 a.m.]

[Docket Nos. RI61-167—RI61-176]

PAN AMERICAN PETROLEUM CORP. ET AL.

Order Providing for Hearing on and Suspension of Proposed Changes in Rates¹

OCTOBER 21, 1960.

In the matter of Pan American Petroleum Corporation, Docket No. RI61-167; Pan American Petroleum Corporation (operator), et al., Docket No. RI61-168; Gulf Oil Corporation, Docket No. RI61-169; Gulf Oil Corporation (operator), et al., Docket No. RI61-170; Jack W. Grigsby, Docket No. RI61-171; Sinclair Oil & Gas Company, et al., Docket No. RI61-172; Cabot Corporation (SW), Docket No. RI61-173; The British-Amer-

¹ This order does not provide for the consolidation for hearing or disposition of the several matters covered herein, nor should it be so construed.

ican Oil Producing Company (operator), et al., Docket No. RI61-174; Austral Oil Company, Inc. (operator), agent for Oil Participations, Inc., Docket No. RI61-

175; Placid Oil Company (operator), et al., Docket No. RI61-176.

The above-named Respondents have tendered for filing proposed changes in

presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes are designated as follows:

Docket No.	Respondent	Rate Sched. No.	Supp. No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date ¹ unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI61-167...	Pan American Petroleum Corp.	39	16	Hassie Hunt Trust (N.E. Lisbon Field, Claiborne Parish, La.)	\$231	9-30-60	11-1-60	4-1-61	\$ 16.0058	16.211	G-19765
RI61-167...	do	149	15	do	15	9-30-60	11-1-60	4-1-61	\$ 16.0058	16.211	G-19765
RI61-167...	do	172	5	Texas Eastern Transmission Corp. (Bethany-Longstreet Field, DeSoto Parish, La.)	200	9-30-60	11-1-60	4-1-61	\$ 16.0058	16.211	G-19765
RI61-168...	Pan American Petroleum Corp. (Operator, et al.)	32	13	Texas Eastern Transmission Corp. (N.E. Lisbon Field, Claiborne Parish, La.)	447	9-30-60	11-1-60	4-1-61	\$ 16.0058	16.211	G-19766
RI61-169...	Gulf Oil Corp.	27	14	Texas Eastern Transmission Corp. (Lemonville and W. Gist Fields, Newton and Jasper Counties, Tex.)	2,643	9-30-60	11-1-60	4-1-61	\$ 14.8	15.0	G-19742
RI61-169...	do	83	13	Hassie Hunt Trust (N. Lisbon Field, Claiborne Parish, La.)	16	9-30-60	11-1-60	4-1-61	\$ 16.2558	16.461	G-19742
RI61-169...	do	95	4	Kansas-Nebraska Nat. Gas Co., Inc. (Camrick Field, Beaver and Texas Counties, Okla.)	270	9-30-60	11-1-60	4-1-61	\$ 16.6	16.8	G-20210
RI61-169...	do	180	2	H. L. Hunt, et al. (N. Lansing Field, Harrison County, Tex.)	142	9-30-60	11-1-60	4-1-61	\$ 14.3	14.5	G-20560
RI61-170...	Gulf Oil Corp. (Operator), et al.	67	5	Texas Eastern Transmission Corp. (Buna West Field, Jasper County, Tex.)	884	9-30-60	11-1-60	4-1-61	\$ 14.8	15.0	G-19743
RI61-170...	do	124	6	United Fuel Gas Co. (S.E. Houma Field, Terrebonne Parish, La.)	2,868	9-30-60	11-1-60	4-1-61	\$ 19.5	19.9	G-19911
RI61-170...	do	125	7	United Fuel Gas Co. (N.E. Rayne Field, Acadia Parish, La.)	1,351	9-30-60	11-1-60	4-1-61	\$ 19.5	19.9	G-19911
RI61-170...	do	132	6	Texas Eastern Trans. Corp. (N. Lansing Field, Harrison County, Tex.)	703	9-30-60	11-1-60	4-1-61	\$ 14.8	15.0	G-19743
RI61-171...	Jack W. Grigsby	4	6	Texas Eastern Trans. Corp. (Bethany-Longstreet Field, De Soto Parish, La.)	2,196	9-30-60	11-1-60	4-1-61	\$ 16.0058	16.211	G-19741
RI61-172...	Sinclair Oil & Gas Co., et al.	192	2	H. L. Hunt, et al. (N. Lansing Field, Harrison County, Tex.)	1,026	9-28-60	11-1-60	4-1-61	\$ 14.3	14.5	RI60-231
RI61-173...	Cabot Corporation (S. W.)	56	2	United Fuel Gas Co. (Ellis Field, Acadia Parish, La.)	2,704	9-29-60	11-1-60	4-1-61	\$ 19.5	19.9	
RI61-174...	The British-American Oil Producing Co. (Operator), et al.	29	2	Southern Natural Gas Co. (West Bay (Tantine) Field, Plaquemines Parish, La.)	16,668	9-29-60	11-1-60	4-1-61	\$ 22.0	23.5	
RI61-175...	Austral Oil Co., Inc. (Operator), Agent for Oil Participations, Inc.	9	6	United Fuel Gas Co. (Thornwell Field, Cameron and Jefferson Davis Parish, La.)	7,949	9-29-60	11-1-60	4-1-61	\$ 19.5	19.9	G-19913
RI61-176...	Placid Oil Co. (Operator), et al.	16	6	H. L. Hunt (N. Lansing Field, Harrison County, Tex.)	306	9-29-60	11-1-60	4-1-61	\$ 14.3	14.5	G-19767

¹ The proposed effective dates are the first days after the required thirty days notice or, if later, the date requested by Respondent.

² The pressure base is 14.65 psia.

³ The pressure base is 15.025 psia.

In support of the increased rates, the respondents cite the contract provisions, state that they were negotiated at arm's length and that the increases are in line with area prices.

Additionally, Pan American refers to the market price testimony of Dr. J. Rhoads Foster in Docket Nos. G-9277, et al., Gulf cites the cost-of-service data submitted in the consolidated proceeding in Docket Nos. G-9520, et al., Placid Oil Company asserts that the prices are just and reasonable and that costs are increasing, and British-American Oil Producing Company states that the contract pricing provisions are an important part of the contract.

The increased rates and charges so proposed may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the several proposed changes and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regula-

tions under the Natural Gas Act (18 CFR Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the several proposed increased rates and charges contained in the above-designated supplements.

(B) Pending hearings and decisions thereon, each of the above-designated supplements is hereby suspended and the use thereof deferred until the date indicated in the above "Rate Suspended Until" column, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before December 5, 1960.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-10116; Filed, Oct. 27, 1960; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-3906]

IROQUOIS GAS CORP. ET AL.

Notice of Filing of Joint Application—Declaration Regarding Intrasystem Sale and Purchase of Property

OCTOBER 21, 1960.

In the matter of Iroquois Gas Corporation, Penn-York Natural Gas Corporation, National Fuel Gas Company; File No. 70-3906.

Notice is hereby given that National Fuel Gas Company ("National"), a registered holding company, and its wholly owned subsidiaries, Iroquois Gas Corporation ("Iroquois"), a public utility, and Penn-York Natural Gas Corporation ("Penn-York"), a non-utility, have filed a joint application-declaration, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), regarding the proposed sale and transfer by Penn-York of certain property to Iroquois; and have designated sections 9, 10, 12(d), 12(f), 20(a) and 27(a) of the Act, and Rules 42, 43, 44 and 46 promulgated thereunder, as applicable to the proposed transactions.

All interested persons are referred to the joint application-declaration for a statement of the transactions therein proposed, which are summarized as follows:

Iroquois proposes to purchase and Penn-York proposes to sell its gas plant located in the State of New York, consisting in general of natural gas production and transmission facilities and related assets. The purchase price is to be Penn-York's depreciated original cost, \$843,145.84 plus materials and supplies and prepayments amounting to \$31,419.92, or a total, as of June 30, 1960, of \$874,565.76 subject to closing adjustments.

Upon the completion of the sale, National will promptly cause Penn-York to be dissolved and its remaining assets, after payment of its liabilities, distributed to National as a liquidating dividend.

The joint application-declaration states that the proposed acquisition by Iroquois is subject to the jurisdiction of the New York Public Service Commission and the Federal Power Commission; that the Federal Power Commission also has jurisdiction over the abandonment by Penn-York of service; that appropriate orders of those Commissions will be obtained and made a part of the record by amendment; and that no other State commission or Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

The fees and expenses to be incurred are estimated at \$25 filing fee to be paid by Penn-York, and \$3,500 counsel fee to be paid by Iroquois.

Notice is further given that any interested person may, not later than November 8, 1960, request in writing that a hearing be held in respect of such matters, stating the nature of his interest, the reasons for the request, and the issues of fact or law which he desires to controvert; or he may request that he be notified should the Commission order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date the joint application-declaration, as filed or as it may be amended, may be granted and permitted to become effective, as provided by Rule 23 under the Act, or the Commission may grant exemption from its rules under the Act, as provided by Rule 20(a) and 100 thereof, or take such other action as it deems appropriate.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 60-10119; Filed, Oct. 27, 1960;
8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

OCTOBER 25, 1960.

Protests to the granting of an application must be prepared in accordance

with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the **FEDERAL REGISTER**.

LONG-AND-SHORT HAUL

FSA No. 36662: *Roofing and building material—Lewisville, Ark., to the South.* Filed by Southwestern Freight Bureau, Agent (No. B-7917), for interested rail carriers. Rates on roofing and building materials, in carloads, from Lewisville, Ark., to points in southern territory, also Mississippi and Ohio River crossings.

Grounds for relief: Market competition and short-line distance formula.

Tariff: Supplement 4 to Southwestern Freight Bureau tariff I.C.C. 4356.

FSA No. 36663: *Lime—Mosher and Ste. Genevieve, Mo., to the south.* Filed by O. W. South, Jr., Agent (SFA No. A4031), for interested rail carriers. Rates on lime, common hydrated, quick or slack, in bulk or in packages, in carloads, from Mosher and Ste. Genevieve, Mo., to points in Kentucky, Louisiana, Mississippi and Tennessee.

Grounds for relief: Rate relationship, short-line distance formula and grouping.

Tariff: Supplement 138 to Southern Freight Association tariff I.C.C. 1345.

FSA No. 36664: *Vermiculite—Kearney and Travelers Rest, S.C., to Goffstown, N.H.* Filed by O. W. South, Jr., Agent (SFA No. A4033), for interested rail carriers. Rates on vermiculite, broken, crushed or ground, dried or not dried, not expanded, in carloads, from Kearney and Travelers Rest, S.C., to Goffstown, N.H.

Grounds for relief: Short-line distance formula.

Tariff: Supplement 9 to Southern Freight Association tariff I.C.C. S-126.

FSA No. 36665: *Fertilizers between points in southern territory.* Filed by O. W. South, Jr., Agent (SFA No. A-4032), for interested rail carriers. Rates on fertilizer and fertilizer materials, in carloads, and tank-car loads, as described in the application between points in southern territory, also between points in southern territory, on the one hand, and Mississippi and Ohio River crossings, and related points, and points in Ohio, Virginia and West Virginia, on the other.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 21 to Southern Freight Association tariff I.C.C. S-88.

FSA No. 36666: *Substituted service—L & N for Mason & Dixon Lines, Inc., et al.* Filed by Southern Motor Carriers Rate Conference, Agent, (No. 40), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Covington and Louisville, Ky., on the one hand, and Atlanta, Ga., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 15 to Southern Motor Carriers Rate Conference tariff I.C.C. 33, MF-I.C.C. 1071.

FSA No. 36667: *Substituted service—ACL and L & N for Alterman Transport*

Lines, Inc. Filed by Southern Motor Carriers Rate Conference, Agent, (No. 41), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Covington and Louisville, Ky., and Evansville, Ind., on the one hand, and Jacksonville, Lakeland, Orlando, Sanford and Tampa, Fla., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 15 to Southern Motor Carriers Rate Conference tariff I.C.C. 33, MF-I.C.C. 1071.

FSA No. 36668: *Substituted service—ACL, et al., for Mercury Motor Express, Inc.* Filed by Southern Motor Carriers Rate Conference, Agent, (No. 39), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Baltimore, Md., Kearny, N.J., and Philadelphia, Pa., on the one hand, and Jacksonville, Lakeland, Orlando, Sanford and Tampa, Fla., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 15 to Southern Motor Carriers Rate Conference tariff I.C.C. 33, MF-I.C.C. 1071.

By the Commission.

[SEAL]

HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 60-10126; Filed, Oct. 27, 1960;
8:47 a.m.]

[Notice 400]

MOTOR CARRIER TRANSFER PROCEEDINGS

OCTOBER 25, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63378. By order of October 21, 1960, The Transfer Board approved the transfer to Ralph F. Dunkley, doing business as Dunkley Distributing Company, Salt Lake City, Utah; of the operating rights authorized in the report of the Commission, Division 1, decided May 27, 1960, in No. MC 117882, in the name of William Reid Lamb, doing business as Lamb Trucking, Salt Lake City, Utah; covering the transportation of: Frozen vegetables, and fresh vegetables and fresh eggs when moving in the same vehicle and at the same time with frozen vegetables, from Provo, Utah; to Denver,

Colo. Lon Rodney Kump, 716 Newhouse Building, Salt Lake City, Utah, for applicants.

No. MC-FC 63482. By order of October 21, 1960, The Transfer Board approved the transfer to Pines Express, Inc., Spokane, Wash., of Certificate No. MC 118359, issued July 19, 1960, to William S. Buteux, doing business as W. S. Buteux, Spokane, Wash., authorizing the transportation, over irregular routes, of frozen fruits, frozen berries and frozen vegetables, from points in Multnomah, Washington, Marion, and Lane Counties, Ore., to points in Spokane County, Wash. J. Leveille, Box 126, Opportunity, Wash., for transferee. William S. Buteux, W. 614 Bowdish, Spokane, Wash., for transferor.

No. MC-FC 63516. By order of October 21, 1960, The Transfer Board approved the transfer to Marion E. Floor, doing business as Floor Transfer & Storage, Warsaw, Ind., of Certificate No. MC 94636, issued November 3, 1949, to Herman Himes, doing business as Himes Transfer, Warsaw, Ind., authorizing the transportation of: Household goods, between Warsaw, Ind., and points within 25 miles of Warsaw, on the one hand, and, on the other, points in Illinois, Michigan, and Ohio. Robert C. Smith, 512 Illinois Building, Indianapolis 4, Ind., for applicants.

No. MC-FC 63557. By order of October 21, 1960, The Transfer Board approved the transfer to John P. Garrison, Inc., Branchville, N.J., of Certificate in No. MC 2656, issued August 10, 1959, to Frank Garrison, Inc., Tranquility, N.J.; authorizing the transportation of: Lime and limestone, between Newton, and Lime Crest, N.J., on the one hand, and, on the other, Philadelphia, Pa., New York, N.Y.; points in New York within 65 miles of New York, N.Y., and points in that part of New Jersey north of New Jersey Highway 33. Bert Collins, 140 Cedar Street, New York 6, N.Y., for applicants.

No. MC-FC 63623. By order of October 21, 1960, The Transfer Board approved the transfer to City Transfer & Storage Co., Astoria, Ore., of Certificates No. MC 2512, issued January 16, 1957, to Wilson Transfer, Inc., Bay Center, Wash., authorizing the transportation of: Fuel, not including liquids in bulk, seafood, oyster seed, canned goods, machinery, logging equipment, forest products, building materials, agricultural commodities, feed, fertilizer, and household goods, between points as specified in Grays Harbor and Pacific Counties, Wash., on the one hand, and, on the other, points in Tillamook, Clatsop, Columbia, Washington, and Multnomah Counties, Ore.; general commodities, excluding commodities in bulk and other specified commodities, between Ilwaco, Wash., and points in Washington within 20 miles thereof, on the one hand, and, on the other, Astoria, Ore., and between Ilwaco, Wash., and points within 20 miles thereof, on the one hand, and, on the other, Portland, Ore., lumber, box shooks, and shingles, between Ilwaco, Wash., and points in Washington within 20 miles thereof, on the one hand, and, on

the other, Hammond, Warrenton, and Wheeler, Ore.; Agricultural lime, from Oswego, Ore., to points in Wahkiakum and Pacific Counties, Wash.; empty containers of petroleum and petroleum products, from points in Wahkiakum and Pacific Counties, Wash., to Portland, Ore.; used machinery, between points in Pacific and Wahkiakum Counties, Wash., on the one hand, and, on the other, points in Oregon; power boats, power boat equipment, and fishing equipment, between points in specified portions of Washington and Oregon; fish, fresh or frozen, from Lapush, Wash., to Astoria and Portland, Ore.; and empty fish containers, and ice, from Astoria and Portland, Ore., to Lapush, Wash.; oyster shells, wired or without spat, between Quilcene and Belfair, Wash., on the one hand, and, on the other, points on Tillamook Bay and Coos Bay, Ore.; oysters in the shell, in bulk, from Lilliwaup, Wash., and points on Hood Canal, Wash., within 25 miles of Lilliwaup, Wash., to Portland, Ore.; seed oysters, from points on Willapa Bay, Wash., to points on Morro Bay, Calif., and between points in Pacific County, Wash., on the one hand, and, on the other, points in the western portion of Oregon; and cranberries, in truckloads, and empty cranberry containers, between Long Beach and Markham, Wash., on the one hand, and, on the other, Seaside and Coquille, Ore., and between Markham, Wash., and Astoria, Ore. The Transfer Board also approved the substitution of City Transfer & Storage Co. as applicant in No. MC 2512 Sub. 25. Earle V. White, 2130 SE. Fifth Avenue, Portland 1, Ore., for applicants.

No. MC-FC 63644. By order of October 21, 1960, The Transfer Board approved the transfer to Rand's Transport, Inc., Linthicum, Md., of Permit in No. MC 35751 Sub 1, issued April 22, 1941, to Capitol Transport Company, Inc., Malvern, Pa., authorizing the transportation of: Liquid petroleum products, in bulk, in tank trucks, over irregular routes, from Curtis Bay, Md., to Chambersburg, Gettysburg, Harrisburg, Huntingdon, Lebanon, Lewistown, and York, Pa., with no transportation for compensation in the reverse direction. William J. Torrington, Attorney, 1003 Maryland Trust Building, Baltimore, Md., for applicants.

No. MC-FC 63654. By order of October 21, 1960, The Transfer Board approved the transfer to Rediehs Transportation Company, Inc., Hinsdale, Ill., of Certificate in No. MC 43123, issued December 18, 1956, to George H. Rediehs, doing business as Rediehs Transportation Co., Hinsdale, Ill., authorizing the transportation of: Tractors and parts, between Springfield, Ill., on the one hand, and, on the other, points in the Chicago, Ill., Commercial Zone, as defined by the Commission, except those in Indiana. Axelrod, Goodman & Steiner, Attorneys at Law, 39 South LaSalle Street, Chicago 3, Ill., for applicants.

[SEAL]

HAROLD D. McCoy,
Secretary.

[F.R. Doc. 60-10127; Filed, Oct. 27, 1960;
8:47 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority 30-V-5 (Revision 2)]

BRANCH MANAGER, BIRMINGHAM, ALABAMA

Delegations Relating to Financial Assistance, Procurement and Technical Assistance and Administrative Functions

I. Pursuant to the authority delegated to the Regional Director by Delegation No. 30 (Revision 6), as amended (25 F.R. 1706 and 7418), there is hereby re-delegated to the Branch Manager, Birmingham Branch Office, Small Business Administration, the authority

A. *Financial assistance.* 1. To approve and decline direct and participation business and disaster loans.

2. To disburse approved loans, including fisheries' loans.

3. To enter into Business Loan and Disaster Loan Participation Agreements with banks.

4. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

PHILIP McCALLUM,
Administrator,

By _____,
(Name)
Branch Manager.

5. To cancel, reinstate, modify and amend authorizations for business or disaster loans.

6. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

7. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorization.

8. To approve service charges by participating bank not to exceed 2 percent per annum on the outstanding balance in connection with construction loans and loans involving accounts receivable and inventory financing.

9. To take the following actions in the administration of fisheries' loans:

(a) Amend loan authorizations;

(b) Extend the period of disbursement of loans of \$50,000 or less for a period not to exceed four months;

(c) Amend the hull insurance provisions of any authorization issued prior to September 3, 1958, for a loan of \$20,000 or less;

(d) Cancel loan authorizations prior to disbursement upon the written request of the applicant;

(e) Administer current fisheries' loans and those loans delinquent not more than 60 days within the same authority exercised with respect to SBA loans, except execute satisfactions, releases or partial release of Preferred Ship Mortgages or other mortgages, deeds of trust, etc., securing fisheries' loans, or to postpone or change payments due or to

endorse checks in payment of insurance claims when said checks are not being paid to the Government as a payment on a fishery loan.

10. To take all necessary actions in connection with the administration, servicing and collection of all current and problem loans.

B. *Investment program.* 1. To disperse section 502 loans.

2. To extend the disbursement period on section 502 loan authorizations or undisbursed portions of section 502 loans.

3. To cancel wholly or in part undisbursed balances of partially disbursed section 502 loans.

4. To do and to perform all and every act and thing requisite, necessary and proper to be done for the purpose of effecting the servicing and administration of section 502 loans.

C. *Procurement and Technical Assistance.* 1. To: (a) Determine joint set-asides for Government procurements and sales; (b) to determine the need for representation at procurement and disposal centers; and (c) develop with Government procurement and disposal agencies required local procedures for implementing established inter-agency policy agreements.

D. *Administration.* 1. To administer oaths of office.

2. For employees under your supervision, to approve (a) annual and sick leave, except advanced annual and sick leave, and (b) leave without pay, not to exceed 30 days.

3. To (a) make emergency purchases chargeable to the Administration expense fund, not in excess of \$10 in any one object class in any one instance but not more than \$25 in any one month for total purchases in all object classes; (b) make purchases not in excess of \$10 in any one instance for "one-time use items" not carried in stock subject to the total limitations set forth in (a) of this paragraph; and (c) to contract for the repair and maintenance of equipment and furnishings in an amount not to exceed \$25 in any one instance.

4. In connection with the establishment of Disaster Loan Offices, to (a) obligate Small Business Administration to reimburse General Services Administration for the rental of office space; (b) rent office equipment; and (c) procure (without dollar limitation) emergency supplies and materials.

5. To administratively approve all types of vouchers, invoices and bills submitted by public creditors of the Agency for articles and services rendered, before forwarding to Regional Office.

6. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

E. *Correspondence.* To sign all correspondence, including Congressional correspondence, relating to the functions of the branch office, except communications involving policy matters, which shall be referred to the Regional Office for clearance.

II. The specific authority delegated in subsections I. A, B, C and E may be re-delegated, such redelegation of subsection E being limited to routine correspondence only; the authority delegated in subsection I.D. may not be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Branch Manager.

IV. All previous authority delegated by the Regional Director to the Branch Manager, Birmingham, Alabama, is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Effective Date: June 27, 1960.

JAMES F. HOLLINGSWORTH,
Regional Director,
Atlanta Regional Office.

[F.R. Doc. 60-10120; Filed, Oct. 27, 1960;
8:46 a.m.]

[Delegation of Authority 30-V-6
(Revision 2)]

BRANCH MANAGER, MIAMI, FLORIDA

Delegation Relating to Financial Assistance, Procurement and Technical Assistance and Administrative Functions

I. Pursuant to the authority delegated to the Regional Director by Delegation No. 30 (Revision 6), as amended (25 F.R. 1706 and 7418), there is hereby redelegated to the Branch Manager, Miami Branch Office, Small Business Administration, the authority:

A. *Financial assistance.* 1. To approve and decline direct and participation business and disaster loans.

2. To disburse approved loans, including fisheries' loans.

3. To enter into Business Loan and Disaster Loan Participation Agreements with banks.

4. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

PHILIP MCCALLUM,
Administrator,

By -----
(Name)
Branch Manager.

5. To cancel, reinstate, modify and amend authorizations for business or disaster loans.

6. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

7. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorization.

8. To approve service charges by participating bank not to exceed 2 percent per annum on the outstanding balance in connection with construction loans and loans involving accounts receivable and inventory financing.

9. To take the following actions in the administration of fisheries' loans:

(a) Amend loan authorizations;

(b) Extend the period of disbursement of loans of \$50,000 or less for a period not to exceed four months;

(c) Amend the hull insurance provisions of any authorization issued prior to September 3, 1958, for a loan of \$20,000 or less;

(d) Cancel loan authorizations prior to disbursement upon the written request of the applicant;

(e) Administer current fisheries' loans and those loans delinquent not more than 60 days within the same authority exercised with respect to SBA loans, except execute satisfactions, releases or partial release of Preferred Ship Mortgages or other mortgages, deeds of trust, etc., securing fisheries' loans, or to postpone or change payments due or to endorse checks in payment of insurance claims when said checks are not being paid to the Government as a payment on a fishery loan.

10. To take all necessary actions in connection with the administration, servicing and collection of all current and problem loans.

B. *Investment program.* 1. To disburse section 502 loans.

2. To extend the disbursement period on section 502 loan authorizations or undisbursed portions of section 502 loans.

3. To cancel wholly or in part undisbursed balances of partially disbursed section 502 loans.

4. To do and to perform all and every act and thing requisite, necessary and proper to be done for the purpose of effecting the servicing and administration of section 502 loans.

C. *Procurement and technical assistance.* 1. To: (a) Determine joint set-asides for Government procurements and sales; (b) to determine the need for representation at procurement and disposal centers; and (c) to develop with Government procurement and disposal agencies required local procedures for implementing established inter-agency policy agreements.

D. *Administration.* 1. To administer oaths of office.

2. For employees under your supervision, to approve (a) annual and sick leave, except advanced annual and sick leave, and (b) leave without pay, not to exceed 30 days.

3. To (a) make emergency purchases chargeable to the Administrative expense fund, not in excess of \$10 in any one object class in any one instance but not more than \$25 in any one month for total purchases in all object classes; (b) make purchases not in excess of \$10 in any one instance for "one-time use items" not carried in stock subject to the total limitations set forth in (a) of this paragraph; and (c) to contract for the repair and maintenance of equipment and furnishings in an amount not to exceed \$25 in any one instance.

4. In connection with the establishment of Disaster Loan Offices, to (a) obligate Small Business Administration to reimburse General Services Administration for the rental of office space; (b) rent office equipment; and (c) procure (without dollar limitation) emergency supplies and materials.

5. To administratively approve all types of vouchers, invoices and bills submitted by public creditors of the Agency for articles and services rendered, before forwarding to regional office.

6. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

B. Correspondence. To sign all correspondence, including Congressional correspondence, relating to the functions of the branch office, except communications involving policy matters, which shall be referred to the regional office for clearance.

II. The specific authority delegated in subsections I.A, B, C and E may be redelegated, such redelegation of subsection E being limited to routine correspondence only; the authority delegated in subsection I.D may not be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Branch Manager.

IV. All previous authority delegated by the Regional Director to the Branch Manager, Miami, Florida, is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Effective date: June 28, 1960.

JAMES F. HOLLINGSWORTH,
Regional Director,
Atlanta Regional Office.

[F.R. Doc. 60-10121; Filed, Oct. 27, 1960;
8:46 a.m.]

[Delegation of Authority 30-V-23]

**MANAGER, DISASTER FIELD OFFICE,
FT. MYERS, FLORIDA**

**Delegation Relating to Financial
Assistance Functions**

I. Pursuant to the authority delegated to the Regional Director by Delegation No. 30 (Revision 6), as amended, (25 F.R. 1706 and 7418), there is hereby redelegated to the Manager of the Disaster Field Office at Ft. Myers, Florida, the following authority:

A. Financial assistance. 1. To approve direct and participation disaster loans.

2. To execute disaster loan authorizations for Washington approved disaster loans and for disaster loans approved under delegated authority, said execution to read as follows:

PHILIP McCALLUM,
Administrator,

By -----
(Name)

Manager, Disaster Field Office.

B. Correspondence. To sign all non-policymaking correspondence relating to disaster functions, except Congressional correspondence, and correspondence which includes a decision that an applicant is ineligible for disaster loan assistance.

II. The authority delegated herein may not be redelegated, with the exception of I.B.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Manager, Disaster Field Office.

Dated: September 19, 1960.

JAMES F. HOLLINGSWORTH,
Regional Director,
Atlanta Regional Office.

[F.R. Doc. 60-10122; Filed, Oct. 27, 1960;
8:46 a.m.]

[Delegation of Authority 30-V-24]

**MANAGER, DISASTER FIELD OFFICE,
NAPLES, FLORIDA**

**Delegation Relating to Financial
Assistance Functions**

I. Pursuant to the authority delegated to the Regional Director by Delegation No. 30 (Revision 6) as amended (25 F.R. 1706 and 7418), there is hereby redelegated to the Manager of the Disaster Field Office at Naples, Florida, the authority:

A. Financial assistance. 1. To approve direct and participation disaster loans.

2. To execute disaster loan authorizations for Washington approved disaster loans and for disaster loans approved under delegated authority, said execution to read as follows:

PHILIP McCALLUM,
Administrator,

By -----
(Name)

Manager, Disaster Field Office.

B. Correspondence. To sign all non-policymaking correspondence relating to disaster functions, except Congressional correspondence, and correspondence which includes a decision that an applicant is ineligible for disaster loan assistance.

II. The authority delegated herein may not be redelegated, with the exception of I.B.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Manager, Disaster Field Offices.

Dated: September 19, 1960.

JAMES F. HOLLINGSWORTH,
Regional Director,
Atlanta Regional Office.

[F.R. Doc. 60-10173; Filed, Oct. 27, 1960;
8:47 a.m.]

[Delegation of Authority 30-V-25]

**MANAGER, DISASTER FIELD OFFICE,
MARATHON, FLORIDA**

**Delegation Relating to Financial
Assistance Functions**

I. Pursuant to the authority delegated to the Regional Director by Delegation No. 30 (Revision 6), as amended (25 F.R. 1706 and 7418), there is hereby redelegated to the Manager of the Disaster Field Office at Marathon, Florida, the authority:

A. Financial assistance. 1. To approve direct and participation disaster loans.

2. To execute disaster loan authorizations for Washington approved disaster loans and for disaster loans approved under delegated authority, said execution to read as follows:

PHILIP McCALLUM,
Administrator.

By -----
(Name)

Manager, Disaster Field Office.

B. Correspondence. To sign all non-policymaking correspondence relating to the disaster functions, except Congressional correspondence, and correspondence which includes a decision that an applicant is ineligible for disaster loan assistance.

II. The authority delegated herein may not be redelegated, with the exception of I.B.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Manager, Disaster Field Office.

Dated: September 19, 1960.

JAMES F. HOLLINGSWORTH,
Regional Director,
Atlanta Regional Office.

[F.R. Doc. 60-10124; Filed, Oct. 27, 1960;
8:47 a.m.]

CUMULATIVE CODIFICATION GUIDE—OCTOBER

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